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COOK COUNTY RECORDER

ILLINOIS LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING AND ASSIGNMENT OF LEASES AND RENTS

(2) LTIC-COMMERCIAL BE
CASE NO. 96-06809 (2) of 3

THIS LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING AND ASSIGNMENT OF LEASES AND RENTS made as of the 29th day of August, 1996, between **ALABAMA METAL INDUSTRIES CORPORATION**, a Delaware corporation, having its principal office and place of business at 3245 Fayette Avenue, Birmingham, Jefferson County, Alabama (hereinafter referred to as "Mortgagor") and **THE FIRST NATIONAL BANK OF BOSTON**, a national banking association, having its principal office and place of business at 100 Federal Street, Boston, Massachusetts 02110, as agent (in such capacity, together with its successors, being referred to herein as "Mortgagee") for itself and for each of the financial institutions which from time to time shall be a "Lender" under the Loan Agreement (as hereinafter defined) (said parties being collectively and severally referred to herein as "Lender"),

LAWYERS TITLE INSURANCE CORPORATION WITNESSETH:

WHEREAS, Mortgagor, Mortgagee and Lender have entered into that certain Loan and Security Agreement dated as of a date on or about the date hereof (the same, as amended, modified or supplemented from time to time being referred to herein as the "Loan Agreement") among Mortgagor, Mortgagee and the financial institutions parties thereto from time to time (unless otherwise defined herein, the capitalized terms used herein shall have the same meaning ascribed to them in the Loan Agreement):

WHEREAS, Mortgagor is justly indebted to Mortgagee and Lender, in lawful money of the United States of America, in the sums of (i) up to \$14,500,000 in principal amount of Revolving Credit Loans, which are evidenced by, and are to be paid by Mortgagor in accordance with the terms and provisions of, the Revolving Credit Notes, which amounts may be borrowed and reborrowed from time to time in accordance with the terms of the Revolving Credit Notes, the final installment of which is due and payable (unless extended) on August 29, 2002, if not sooner paid, (ii) \$11,500,000 in principal amount of non-revolving Indebtedness consisting of Single Advance Term Loans, which are evidenced by, and are to be paid by Mortgagor in accordance with the terms and provisions of, the Single Advance Term Notes, the final installment of which is due and payable (unless extended) on August 29, 2002, if not sooner paid, and (iii) up to \$3,000,000 in principal amount of non-revolving Indebtedness.

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consisting of Multi-Advance Term Loans, which are evidenced by, and are to be paid by Mortgagor in accordance with the terms and provisions of, the Multi-Advance Term Notes, the final installment of which is due and payable (unless extended) on August 29, 2002, if not sooner paid (the Revolving Credit Notes, the Single Advance Term Notes and the Multi-Advance Term Notes, as the same may be amended, modified, supplemented, renewed, restated, extended or replaced, being hereinafter collectively and severally referred to as the "Notes").

WHEREAS, pursuant to the provisions of Article 3 of the Loan Agreement, Mortgagee has agreed to issue for the account of Mortgagor one or more Letters of Credit, and Mortgagor has agreed to reimburse Mortgagee for any amounts drawn under the Letters of Credit (said reimbursement obligations, as defined and provided for under the Loan Agreement, being hereinafter referred to as the "Reimbursement Obligations");

WHEREAS, the principal amounts advanced by Mortgagee and Lender to Mortgagor pursuant to the Notes and the Loan Agreement shall be payable, with interest thereon, in the manner and according to the terms and conditions specified in the Loan Agreement, all of which are incorporated herein by reference; and

WHEREAS, Mortgagor desires to secure the payment of the Notes and all other amounts owing from time to time under the Notes and Loan Agreement, and certain other indebtedness;

NOW, THEREFORE, in consideration of the Secured Obligations (as hereinafter defined) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor does hereby grant, bargain, sell, alien, remise, mortgage, convey, warrant and confirm unto Mortgagee, and grant to Mortgagee a security interest in, (i) that certain Industrial Space Lease by and between Blaw Knox Corporation, as Lessor, and Mortgagor, as Lessee, dated November 4, 1988; as amended by that certain First Amendment thereto by and between American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated March 3, 1986 and known as Trust No. 66758, and Mortgagor dated as of May 24, 1991 (the "Lease"), as evidenced by the Memorandum and Ratification of Lease to be executed, acknowledged, and recorded by and between First Industrial Securities, L.P. and Mortgagor, dated AUGUST 21, 1996, 1996, recorded AUGUST 30, 1996, as Document Number 96666724, Cook County, Illinois, together with (i) the leasehold estate created by the Lease, and (ii) all right, title and interest of Mortgagor as the lessee under the Lease in and to (A) all that certain tract or parcel of land being more fully described on Exhibit A attached hereto and made a part hereof (the "Real Property"), subject only to those matters identified on Exhibit B attached hereto and made a part hereof, (B) all modifications, extensions and renewals of the Lease and all rights to renew or

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extend the Lease, and (C) all credits, deposits, options, rights of first refusal, privileges and other rights of Mortgagor under the Lease (for the purposes of this Mortgage, the Lessor under the Lease shall be referred to as the "Lessor").

TOGETHER with all the estate, right, title, interest, claim and demand whatsoever of Mortgagor of, in and to the Real Property, and every part and parcel thereof and of, in and to the following:

A. all buildings, structures and other improvements now or hereafter located on the Real Property or any part or parcel thereof, and all adjacent lands included in enclosures or occupied by buildings located partly on the Real Property or any part or parcel thereof; and

B. the minerals, flowers, shrubs, crops, trees, timber and other emblements now or hereafter located on the Real Property or under or above the same, or any part or parcel thereof; and

C. all and singular the tenements, hereditaments, easements and appurtenances thereunto or unto any part thereof now or hereafter belonging or in any wise appertaining, and all streets, alleys, passages, ways, watercourses, and all leasehold estates, easements and covenants now existing or hereafter created for the benefit of Mortgagor or any subsequent owner or tenant of the Real Property, and all rights to enforce the maintenance thereof, and all other rights, privileges and liberties of whatsoever kind or character, and the reversions and remainders thereof, and all estate, right, title, interest, property, possession, claim and demand whatsoever, at law or in equity, of Mortgagor in and to the Real Property or any part thereof; and

D. all building materials, fixtures, building machinery and building equipment, all machinery, apparatus, equipment, chattels, fittings and fixtures, whether now or hereafter actually or constructively attached to the Real Property and including all trade, domestic and ornamental fixtures, and articles of personal property of every kind and nature whatsoever, including all Inventory and Equipment (hereinafter referred to collectively as the "Additional Property") now or hereafter located in, upon, on or under the Real Property, or any part thereof, including, but without limiting the generality of the foregoing, all heating, water heating, air conditioning, freezing, lighting, laundry, incinerating and power apparatus and equipment; engines; pipes; pumps; tanks; motors; conduits; switchboards; antennas; wires; cables; transmitters; receivers; plumbing, lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus; boilers, furnaces, oil burners or units thereof; stoves, ranges, refrigerators, dishwashers, disposals and other appliances; vacuum cleaning systems; elevators; escalators; shades; awnings;

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required to be paid or reimbursed pursuant to Section 16.2 of the Loan Agreement.

This Mortgage is given in part to secure revolving credit loans and shall secure not only existing revolving credit indebtedness hereby secured but also future advances under the Revolving Credit Loans and Multi-Advance Term Loans, whether such advances are obligatory or are to be made at the option of the Mortgagee or otherwise, as are made within 20 years from the date hereof to the same extent as if such future advances were made on the date of the execution of this Mortgage although there may be no revolving credit advance made at the time of the execution of this Mortgage and although there may be no indebtedness secured hereby outstanding at the time any advance is made, as provided in 205 ILCS 5/5d. The lien of this Mortgage shall be valid as to all revolving credit indebtedness secured hereby and shall include future advances under the Revolving Credit Loans and Multi-Advance Term Loans from the time of filing this Mortgage of record. The total amount of indebtedness evidenced by the Notes may increase or decrease from time to time but the total unpaid principal balance of indebtedness hereby secured (including disbursements which the Mortgagee may make under this Mortgage or any other Loan Documents with respect to amounts evidenced by the Notes) at any time outstanding shall not exceed a maximum of two hundred percent (200%) of the face amount of the Notes plus interest thereon and disbursements made for payment of taxes, special assessments or insurance on the Mortgaged Property and interest on such disbursements (all such indebtedness being hereinafter referred to as the "Maximum Credit"). This Mortgage shall be valid and have priority over all subsequent liens and encumbrances including statutory liens excepting solely taxes and assessments levied on the Mortgaged Property to the extent of the Maximum Credit.

Mortgagor hereby sells, assigns, sets over and transfers to Mortgagee, and grants to Mortgagee a security interest in, Mortgagor's interest in any and all leases, tenant contracts and rental agreements and other contracts, licenses and permits (all of which are sometimes hereinafter referred to as the "Contracts") now or hereafter affecting or in any manner relating to the Mortgaged Property, or any part thereof, together with all rights and remedies provided in such Contracts or at law or in equity to enforce such Contracts, provided that nothing herein shall be construed to obligate Mortgagee or Lender to discharge or perform the duties and obligations of Mortgagor under such Contracts. Mortgagor agrees to execute and deliver such other instruments as Mortgagee may require evidencing the assignment of the Contracts.

Mortgagor hereby sells, assigns, sets over and transfers to Mortgagee, and grants to Mortgagee a security interest in, all of the rents, tenant reimbursements, issues and profits which shall

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hereafter become due or be paid for the use of the Mortgaged Property or any part thereof, together with any and all income derived from the Mortgaged Property (all of which are sometimes hereinafter referred to as the "Rents"), reserving to Mortgagor a license to collect and retain the Rents only so long as there is no Event of Default which shall have occurred and be continuing, said license to be revokable during the continuance of an Event of Default immediately upon notice from Mortgagee to Mortgagor. Mortgagor agrees to execute and deliver such other instruments as Mortgagee may require evidencing the assignment of the Rents.

MORTGAGOR COVENANTS AND AGREES with Mortgagee that until the Secured Obligations are fully repaid:

1. Payment and Performance. Mortgagor shall pay to Mortgagee the Secured Obligations, in accordance with the terms of the Notes, the Loan Agreement and this Mortgage, and shall perform and comply with all the agreements, conditions, covenants, provisions and stipulations of the Notes, the Loan Agreement and this Mortgage.

2. Maintenance of Mortgaged Property. In addition to, and not in derogation of, the requirements of Section 4 below and of any of the other Loan Documents:

(a) Mortgagor shall keep the Mortgaged Property protected and in good order, repair and condition at all times, with reasonable allowance for normal wear and tear, from time to time replacing, repairing or restoring any part thereof which may become damaged, destroyed, lost or unsuitable for use. In the event the Mortgaged Property, or any part thereof, is damaged or destroyed by fire or other casualty and if the cost of repairing and/or replacing such damaged property is reasonably estimated to be in excess of \$200,000.00, Mortgagor shall promptly notify Mortgagee, in writing, of such damage or destruction.

(b) Mortgagor shall not remove, demolish, destroy or alter the Mortgaged Property, or any portion thereof, without the prior written consent of Mortgagee, unless such removal, demolition, destruction or alteration is made in connection with a renewal or replacement required under the terms of the Loan Agreement or unless Mortgagor replaces the affected portion of the Mortgaged Property with property of at least equal utility and value.

(c) Mortgagor shall not commit or suffer any strip or waste of the Mortgaged Property.

(d) Mortgagor shall promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof, except for instances of noncompliance that, singly

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or in the aggregate, could not materially and negatively affect the use, occupancy or value of the Mortgaged Property and except for instances of noncompliance that are being contested in good faith by appropriate proceedings and for which reserves for Mortgagor's reasonably anticipated liability therefor have been appropriately established.

(e) Mortgagor shall not cause or permit anything to be done which would materially increase the risk of fire or other hazard to the Mortgaged Property, or any part thereof, or which would result in a material increase in any insurance premiums payable with respect to the Mortgaged Property, or which would result in the cancellation of any insurance policy carried with respect to the Mortgaged Property.

3. **Condemnation.** Mortgagor, promptly upon obtaining actual knowledge of the institution, or the proposed, contemplated or threatened institution, of any proceedings for the taking of the Mortgaged Property, or any part thereof, by condemnation or eminent domain, will notify Mortgagee of the pendency of such proceedings. Mortgagee may, at its option, participate in any such proceedings but not to the exclusion of Mortgagor, and Mortgagor shall promptly deliver to Mortgagee all instruments from time to time requested by Mortgagee to permit such participation. In any such proceedings Mortgagee may be represented by counsel selected by Mortgagee. Mortgagor hereby assigns to Mortgagee all awards made to Mortgagor hereafter made by virtue of any exercise of the right of condemnation or eminent domain by any authority, including any award for damages to or taking of title to the Mortgaged Property or any part thereof, or the possession thereof, or any right or easement affecting the Mortgaged Property or appurtenant thereto (including any award for any change of grade of streets), and the proceeds payable to Mortgagor, if any, of all sales in lieu of condemnation. Mortgagee, at its option, is hereby authorized to collect and receive all such awards and the proceeds of all such sales and to give proper receipts and acquittances therefor, and Mortgagee, at its election and subject to the terms of the Loan Agreement, may use such awards and proceeds as provided with respect to insurance proceeds in the Loan Agreement. Mortgagee shall be under no obligation to question the amount of any such award or proceeds and may accept the same in the amount in which the same shall be paid. Mortgagor agrees to execute and deliver such other instruments as Mortgagee may require evidencing the assignment of all such awards and proceeds to Mortgagee. If, prior to the receipt by Mortgagee of such award or proceeds, the Mortgaged Property shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive such award or proceeds to the extent of any unpaid Secured Obligations following such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered, and of reasonable attorneys' fees actually incurred,

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costs, including costs of litigation, and disbursements incurred by Mortgagee in connection with the collection of such award or proceeds.

4. Ownership and Defense of Title.

(a) Mortgagor shall not create any lien on, or sell, lease, exchange, assign, transfer, pledge, hypothecate, grant a security interest or security title in or otherwise dispose of, the Mortgaged Property or any interest therein, except for the Security Interest, the Permitted Liens, sales of Inventory in the ordinary course of business, for cash or on open account or on terms of payment ordinarily extended to its customers, and except for any other dispositions expressly permitted under the Loan Agreement. The inclusion of "proceeds" of the Mortgaged Property under this Mortgage shall not be deemed a consent by Mortgagee to any other sale or other disposition of any part or all of the Mortgaged Property. The termination of a lease of Equipment and Lease at the end of its term shall not be deemed to be a disposition for purposes of this Section 4.

(b) In the event that Mortgagor shall sell, lease, assign, transfer, pledge, hypothecate, grant a security interest or security title in or otherwise dispose of any Mortgaged Property other than in accordance with Section 4(a) hereof, the sales proceeds thereof shall be permitted to Mortgagee to reduce or repay the Secured Obligations.

5. Use and Management of Mortgaged Property. Mortgagor shall use, operate and manage the Mortgaged Property only for the business of manufacture and distribution of expanded metal, metal bar grating, metal safety grating, metal lath and lath accessories, steel framing systems and products, concrete forming products, and related metal and vinyl products. Mortgagor shall not be permitted to alter or change the use of the Mortgaged Property without the prior written consent of Mortgagee.

6. Compliance with Environmental Laws.

(a) Mortgagor hereby represents, warrants, acknowledges to Mortgagee and agrees that, to the best of Mortgagor's knowledge and except as disclosed in the environmental reports provided by Mortgagor to Mortgagee pursuant to the Loan Agreement prior to the date hereof (the "Environmental Reports"), there has been no release of any hazardous materials, hazardous wastes or hazardous substances, as defined in 42 U.S.C. §§ 9601 et seq. as amended, 42 U.S.C. §§ 6901 et seq., as amended, and the regulations promulgated thereunder, and all applicable Federal, State and local laws, rules and regulations relating to hazardous substances, now existing or hereafter enacted, on, upon or into the Mortgaged Property and, to the best of Mortgagor's knowledge and except as

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disclosed in the Environmental Reports, there have been no such releases on, upon or into any real property in the vicinity of the Mortgaged Property which through soil or groundwater migration have come to be located on the Mortgaged Property. Mortgagor further represents and warrants that, to the best of Mortgagor's knowledge and except as disclosed in the Environmental Reports, there are no toxic or hazardous wastes located, in or about any portion of the Mortgaged Property in violation of any Environmental Laws or Applicable Law. Mortgagor agrees that it will indemnify and hold Mortgagee and Lender harmless from any and all expense, damage, loss or liability incurred by Mortgagee or Lender arising from the application of any Environmental Laws or Applicable Law, including any so-called "Super Fund" or "Super Lien" legislation, relating to the presence of toxic or hazardous wastes or materials on the Mortgaged Property (including any toxic or hazardous wastes or materials first appearing on the Mortgaged Property on or prior to the date of this Mortgage, regardless of whether Mortgagor was aware of the presence of such toxic or hazardous wastes or materials on the date hereof) in violation of any Environmental Laws or Applicable Law prior to Mortgagee or any third party acquiring the Mortgaged Property at foreclosure or by deed in lieu of foreclosure or otherwise, whether such legislation is Federal, State or local in nature. It is expressly acknowledged by Mortgagor that this covenant of indemnification shall survive any foreclosure of the lien and security interest of this Mortgage and shall inure to the benefit of Mortgagee, its successors and assigns; provided however, that this covenant of indemnification shall not inure to the benefit of (i) any third party which purchases the Mortgaged Property at a foreclosure sale or succeeds to Mortgagor's interest in the Lease or (ii) Mortgagee or Lender or any affiliates thereof, as to environmental matters arising after Mortgagee or Lender or any affiliates thereof, who acquire the Mortgaged Property at foreclosure or by deed-in-lieu of foreclosure or succeeds to Mortgagor's interest in the Lease.

(b) Mortgagor shall:

(i) not dispose of or store (except in compliance with all laws, ordinances and regulations pertaining thereto), release or allow the release of any hazardous substance or solid waste on the Mortgaged Property;

(ii) neither directly nor indirectly transport or arrange for the transport of any hazardous substance (except in compliance with all laws, ordinances and regulations pertaining thereto);

(iii) in the event of any material change in the laws governing the assessment, release or removal of hazardous materials, which change would lead a prudent

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lender in possession of the tests and information relative to the Mortgaged Property in the possession of Mortgagee to require additional testing to avail itself of any statutory insurance or limited liability, take all such action (including, without limitation, the conducting of engineering tests at the sole expense of Mortgagor) as may be reasonably requested by Mortgagee to confirm to Mortgagee that no hazardous substance is or ever was stored, released or disposed of on the Mortgaged Property; and

(iv) provide Mortgagee with written notice: (a) upon Mortgagor's obtaining actual knowledge of any potential or known release, or threat of release, of any hazardous substance at or from the Mortgaged Property; (b) upon Mortgagor's receipt of any notice to such effect from any Federal, State or other governmental authority; or (c) upon Mortgagor's obtaining actual knowledge of any incurrence of any expense or loss by such governmental authority in connection with the assessment, containment or removal of any hazardous material for which expense or loss Mortgagor may be liable or for which expense a lien may be imposed on the Mortgaged Property.

For purposes of this Mortgage, the terms "hazardous substance" and "release" shall have the meanings specified in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA") and the terms "solid waste" and "disposal" (or "disposed") shall have the meanings specified in the Resource Conservation and Recovery Act of 1976 ("RCRA"); provided, in the event either CERCLA or RCRA is amended so as to change the meaning of any term defined thereby, such new meaning shall apply subsequent to the effective date of such amendment; and provided further, to the extent that the laws of the state where the Mortgaged Property is located establish a meaning for "hazardous substance," "release," "solid waste," or "disposal" which is broader than specified in either CERCLA or RCRA, such broader meaning shall apply. The provisions of this Section shall survive the satisfaction of the Secured Obligations and shall continue thereafter in full force and effect as to matters arising before the date of said satisfaction.

Mortgagor represents to Mortgagee that either (a) the Mortgaged Property does not contain one or more facilities which are subject to reporting under Section 312 of the Federal Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. Section 11022, and the federal regulations promulgated thereunder, and it has no underground storage tanks which require notification under Section 9002 of the Solid Waste Disposal Act, 42 U.S.C. Section 6991, or (b) Mortgagor has delivered to Mortgagee a true, correct and complete disclosure document pursuant to the Illinois Responsible Property Transfer Act, 765 ILCS 90/1 et seq.

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7. Insurance.

(a) Mortgagor shall at all times maintain insurance on the Mortgaged Property against loss or damage by fire, theft (excluding theft by employees), burglary, pilferage, loss in transit and such other hazards as Mortgagee shall reasonably specify, in amounts not to exceed those obtainable at commercially reasonable rates and under policies issued by insurers reasonably acceptable to Mortgagee. All premiums on such insurance shall be paid by Mortgagor and copies of the policies delivered to Mortgagee. Mortgagor will not use or permit the Mortgaged Property to be used in violation of any Applicable Law or in any manner which might render inapplicable any insurance coverage.

(b) All insurance policies required under this Section 7 shall name Mortgagee, for the benefit of Lender, as an additional named insured and shall contain loss payable clauses in the form submitted to Mortgagor by Mortgagee, or otherwise in form and substance satisfactory to the Required Lenders, naming Mortgagee, for the benefit of Lender, as loss payee as its interest may appear, and providing that:

(i) all proceeds thereunder shall be payable to Mortgagee, for the benefit of Lender,

(ii) no such insurance shall be affected by any act or neglect of the insurer or owner of the property described in such policy, and

(iii) such policy and loss payable clauses may not be canceled, amended or terminated unless at least ten (10) days' prior written notice is given to Mortgagee.

(c) Any proceeds of insurance referred to in this Section 7 which are paid to Mortgagee shall be applied as provided in the Loan Agreement.

8. Payment of Taxes and Claims. Mortgagor shall pay or discharge:

(a) prior to the date upon which same become delinquent, all taxes, assessments and governmental charges or levies imposed on the Mortgaged Property, and

(b) when due all lawful claims of materialmen, mechanics, carriers, warehousemen and landlords for labor, materials, supplies and rentals which, if unpaid, might become a Lien on any part of the Mortgaged Property;

except that this Section 8 shall not require the payment or discharge of any such tax, assessment, charge, levy or claim

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which is being contested in good faith by appropriate proceedings and for which reserves in respect of the reasonably anticipated liability therefor have been appropriately established.

9. Taxation of Mortgage.

(a) Mortgagor shall pay all taxes, assessments, charges, expenses, costs and fees which may now or hereafter be levied upon, or assessed, or charged against, or incurred in connection with, the Notes, the Secured Obligations, this Mortgage or any other instrument now or hereafter evidencing, securing or otherwise relating to the Secured Obligations.

(b) In the event of the passage after the date of this Mortgage of any law, rule or regulation by the United States, by any state or by any political subdivision of any thereof, changing in any manner the laws for the taxation of mortgages, security agreements or assignments of leases or rents, or debts secured thereby, or the manner of collection of any such tax, so as to affect adversely Mortgagee, this Mortgage, the Notes or the Secured Obligations, all amounts secured hereby shall become due, payable and collectible after thirty (30) days' notice from Mortgagee to Mortgagor; provided, however, that such acceleration of said indebtedness shall be deemed inoperative if Mortgagor is permitted by law to pay the whole of such tax in addition to all other payments required hereunder, without any penalty or other disadvantage thereby accruing to Mortgagee, and if Mortgagor in fact pays such tax prior to the expiration of such thirty (30) day period.

10. U.C.C.

(a) This Mortgage constitutes a security agreement under the Uniform Commercial Code as enacted by the State of Illinois (the "U.C.C.") with respect to, among other things, the Rents, the Contracts, the Additional Property and the Proceeds or any part thereof, and Mortgagor hereby grants to Mortgagee a security interest in the Rents, the Contracts, the Additional Property and the Proceeds. At the request of Mortgagee, a financing statement or statements shall from time to time be executed by Mortgagee and Mortgagor or by Mortgagor alone and filed in the manner required to perfect said security interest under the U.C.C. Compliance with U.C.C. requirements relating to personal property shall not be construed as altering in any way the rights of Mortgagee as determined by this instrument under any other statutes or laws of the State of Illinois, but is declared to be solely for the protection of Mortgagee in the event that such compliance is at any time held to be necessary to preserve the priority of Mortgagee's security interests in the Rents, the Contracts, the Additional Property and the Proceeds against any other claims.

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(b) Mortgagor warrants that (i) Mortgagor's (that is, "Debtor's") name, identity or corporate structure and residence or principal place of business are as set forth in Schedule 1 of Exhibit C attached hereto and by this reference made a part hereof; (ii) Mortgagor (that is, "Debtor") has been using or operating under said name, identity or corporate structure without change for the time period set forth in such Schedule 1 of Exhibit C; and (iii) the location of the Mortgaged Property is upon the Real Property. Mortgagor covenants and agrees that Mortgagor will furnish Mortgagee with thirty (30) days' prior written notice of any change in the matters addressed by clauses (i) or (iii) of this Section 10(b) and Mortgagor will promptly execute any financing statements or other documents or statements deemed necessary by Mortgagee to prevent any filed financing statement from becoming misleading or losing its perfected status.

(c) The mailing address of the "Secured Party" from which information concerning the security interest may be obtained, and the mailing address of "Debtor", are as set forth in Schedule 2 of Exhibit C attached hereto and by this reference made a part hereof. A statement indicating the types, or describing the items, of the Additional Property, the Rents and the Contracts is set forth hereinabove. The information contained in this Section 10 is provided in order that this Mortgage shall comply with the requirements of the U.C.C. for instruments to be filed as financing statements.

11. Leases, Tenant Contracts, Etc. Mortgagor may not lease the Mortgaged Property, or any portion thereof, to any Person without the prior written consent of Mortgagee.

12. Right to Remedy Defaults. In the event that Mortgagor should (a) fail to pay taxes, assessments, water and sewer charges or other lienable claims (except in case of contest as aforesaid) or insurance premiums, (b) fail to make necessary repairs, (c) permit waste, or (d) otherwise fail to comply with its obligations hereunder or under the Loan Agreement, the Notes, the Security Documents or any other document executed in connection with this Mortgage, then Mortgagee, at its election and without notice to Mortgagor, shall have the right to make any payment or expenditure which Mortgagor should have made, or which Mortgagee reasonably deems advisable to protect the security of this Mortgage or the Mortgaged Property, without prejudice to any of Mortgagee's rights or remedies available hereunder or otherwise, at law or in equity. Mortgagee shall be the sole judge of the necessity of such payment and of the amount necessary to be paid with respect thereto. Mortgagee shall endeavor to give notice to Mortgagor prior to taking any such action or causing any such action to be taken, but neither Mortgagee nor any Lender shall have any liability to any Person for the failure to give such notice. All such sums, as well as

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costs, advanced by Mortgagee pursuant to this Section 12 shall constitute Secured Obligations and shall be due immediately from Mortgagor to Mortgagee, shall be secured hereby, and shall bear interest at the rate provided for Revolving Credit Loans under the Loan Agreement.

13. Events of Default. Each of the following shall constitute an Event of Default, whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body:

(a) Event of Default under Loan Agreement. Any Event of Default (as defined in Section 13.1 of the Loan Agreement) shall occur under the Loan Agreement.

(b) Default in Performance under the Mortgage. Mortgagor shall default in the performance of any term, covenant, condition or agreement contained in:

(i) Sections 2(b), 4, 10(b) and 11 of this Mortgage and Mortgagee shall have given Mortgagor written notice of such default, or

(ii) any other section of this Mortgage and such default shall continue for a period of thirty (30) days after written notice thereof has been given to Mortgagor by Mortgagee.

(c) Default in Performance under the Lease. Failure by Mortgagor to maintain the Lease in full force and effect, or any modification, alteration or amendment to the Lease by Mortgagor without Mortgagee's prior written consent, such consent not to be unreasonably withheld.

14. Remedies. Upon the occurrence of any Event of Default, Mortgagee shall have the right to exercise the remedies set forth in this Section 14.

(a) Acceleration.

(i) Automatic. Upon the occurrence of an Event of Default specified in Section 13.1(g) or (h) of the Loan Agreement, the principal of and the interest on the Notes at the time outstanding, and all other amounts owed to Mortgagee under this Mortgage, the Loan Agreement or any of the Security Documents, including without limitation the Reimbursement Obligations, shall thereupon become due and payable without presentment, demand, protest, or other notice of any kind, all of which are expressly waived,

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anything in this Mortgage, the Loan Agreement or any of the Security Documents to the contrary notwithstanding.

(ii) Optional. If any other Event of Default shall have occurred and be continuing, in every such event, Mortgagee may, at its option, declare the principal of and interest on the Notes at the time outstanding, and all other amounts owed to Mortgagee under this Mortgage, the Loan Agreement or any of the Security Documents, including without limitation the Reimbursement Obligations, to be forthwith due and payable, whereupon the same shall immediately become due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything in this Mortgage, the Loan Agreement or the Security Documents to the contrary notwithstanding.

(b) Remedies under Loan Agreement. Upon the occurrence of an Event of Default hereunder, Mortgagee may elect to exercise any one or more of the remedies which are set forth in Section 13.2 of the Loan Agreement.

(c) Rights as a Secured Creditor. Upon the occurrence of an Event of Default hereunder, Mortgagee may exercise all of the rights and remedies of a secured party under the U.C.C. and under any other Applicable Law, including, without limitation, the right, without notice except as specified below and with or without taking possession thereof, to sell the Mortgaged Property (other than the Real Property and the buildings located thereon) or any part thereof in one or more parcels at public or private sale at any location chosen by Mortgagee, for cash, on credit or for future delivery, and at such price or prices and upon such other terms as Mortgagee may deem commercially reasonable. Mortgagor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to Mortgagor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification, but notice given in any other reasonable manner or at any other reasonable time shall constitute reasonable notification. Mortgagee shall not be obligated to make any sale of the Mortgaged Property regardless of notice of sale having been given. Mortgagee may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(d) Remedies Following Acceleration. When the entire indebtedness secured hereby shall become due and payable, either upon maturity or upon the acceleration of such indebtedness pursuant to this Section 14 or the terms of the Loan Agreement, or otherwise, and shall not have been paid, then forthwith:

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(i) Foreclosure. Mortgagee may institute an action of mortgage foreclosure, or take such other action at law or in equity for the enforcement of this Mortgage and realization on the mortgage security or any other security herein or elsewhere provided for, as the law may allow, and may proceed therein to final judgment and execution for the entire unpaid balance of the principal debt, with interest at the rate stipulated in the Loan Agreement, together with all other sums due from Mortgagor in accordance with the provisions of the Loan Agreement, this Mortgage and any of the Security Documents, including all sums which may have been loaned by Mortgagee or any Lender to Mortgagor after the date of this Mortgage, and all sums which may have been advanced by Mortgagee for taxes, water or sewer rents, other lienable charges or claims, insurance or repairs or maintenance, and all costs of suit, including, without limitation, costs of appraisals. Mortgagor authorizes Mortgagee at its option to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be asserted by Mortgagor as a defense to any proceedings instituted by Mortgagee to recover the indebtedness secured hereby or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property; provided, however, that nothing herein contained shall prevent Mortgagor from asserting in any proceeding disputing the amount of the deficiency or the sufficiency of any bid at such foreclosure that any such tenants adversely affect the value of the Mortgaged Property.

(ii) Possession. Mortgagee may enter into possession of the Mortgaged Property, with or without legal action, and by force if necessary or, in the alternative, Mortgagee shall be entitled as of right to appointment of a receiver without regard to the solvency of Mortgagor or any other person liable for the debt secured hereby or the value of the Mortgaged Property, and regardless of whether Mortgagee has an adequate remedy at law; either Mortgagee or said receiver, as the case may be, may rent the Mortgaged Property, or any part thereof, for such term or terms and on such other terms and conditions as Mortgagee or such receiver may see fit, collect all rentals (which term shall also include sums payable for use and occupation) and, after deducting all costs of collection and administration expense, apply the net rentals to the payment of taxes, water and sewer rents, other lienable charges and claims, insurance premiums and all other carrying charges, and to the maintenance, repair or restoration of the Mortgaged Property, or in reduction of the principal or interest, or both, hereby secured, in such order and amounts as Mortgagee or said receiver may elect; and for that purpose Mortgagor

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hereby assigns to Mortgagee all rentals due and to become due under any existing or future lease or leases or rights to use and occupation of the Mortgaged Property, as well as all rights and remedies provided in such lease or leases or at law or in equity for the collection of the rentals, provided that nothing herein shall be construed to obligate Mortgagee to discharge or perform the duties of landlord to any tenant and Mortgagee shall be liable to account only for rents, income issues and profits actually received by Mortgagee. Any lease or leases entered into by Mortgagee or said receiver pursuant to this Section shall survive foreclosure of the Mortgage and/or repayment of the debt, except to the extent any applicable lease may provide otherwise.

For the purpose of obtaining possession of the Mortgaged Property in the event of any default hereunder or under the Loan Agreement, Mortgagor hereby authorizes and empowers any attorney of any court of record in the State of Illinois or elsewhere, as attorney for Mortgagor and all persons claiming under or through Mortgagor, to sign an agreement for entering in any competent court an amicable action in ejectment for possession of the Mortgaged Property and to appear for and confess judgment against Mortgagor, and against all persons claiming under or through Mortgagor, in favor of Mortgagee, for recovery by Mortgagee of possession thereof, for which this Mortgage, or a copy thereof verified by affidavit, shall be a sufficient warrant; and thereupon a writ of possession may immediately issue for possession of the Mortgaged Property, without any prior writ or proceeding whatsoever and without any stay of execution. If for any reason after such action has been commenced it shall be discontinued, or possession of the Mortgaged Property shall remain in or be restored to Mortgagor, Mortgagee shall have the right for the same default or any subsequent default to bring one or more further amicable actions as above provided to recover possession of the Mortgaged Property. Mortgagee may bring an amicable action in ejectment and confess judgment therein before or after the institution of proceedings to foreclose this Mortgage or to enforce the Loan Agreement, or after entry of judgment therein or on the Loan Agreement, or after a Sheriff's sale of the Mortgaged Property in which Mortgagee is the successful bidder; the authorization to pursue such proceedings for obtaining possession and confess judgment therein is an essential part of the remedies for enforcement of this Mortgage and the Loan Agreement, and shall survive any execution sale to Mortgagee.

15. Miscellaneous Provisions Concerning Remedies.

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(a) Separate Actions. Mortgagee shall have the right, from time to time, to bring an appropriate action to recover any sums required to be paid by Mortgagor under the terms of this Mortgage, as they become due, without regard to whether or not the principal indebtedness or any other sums evidenced or secured by the Loan Agreement and this Mortgage shall be due, and without prejudice to the right of Mortgagee thereafter to bring an action to foreclose this Mortgage or any other action, for any default by Mortgagor existing at the time the earlier action was commenced.

(b) Separate Sales. In the event of any sale under this Mortgage or pursuant to any order in any judicial proceeding or otherwise, the Mortgaged Property may be sold as an entirety or in separate parcels in such manner or order as Mortgagee in its sole discretion may elect; and if Mortgagee so elects it may sell or cause to be sold the Additional Property (which term shall, for purposes of this Section 15(b) be deemed to include, without limitation, the Rents and the Proceeds) at one or more separate sales in any manner permitted by the U.C.C.; and one or more exercises of the powers herein granted shall not extinguish nor exhaust such powers, until the entire Mortgaged Property is sold or the Secured Obligations are paid in full. If the Secured Obligations are now or hereafter further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security, Mortgagee may at its option exhaust or cause to be exhausted the remedies granted under any of said security, either concurrently or independently, and in such order as it may determine.

(c) Release of Security. Neither Mortgagor nor any other person now or hereafter obligated for payment of all or any part of the sums now or hereafter secured by this Mortgage shall be relieved of such obligation by reason of the failure of Mortgagee to comply with any request of Mortgagor or of any other person so obligated to take action to foreclose on this Mortgage or otherwise enforce any provisions of the Mortgage or the Loan Agreement, or by reason of the release, regardless of consideration, of all or any part of the security held for the indebtedness secured by this Mortgage, or by reason of any agreement or stipulation between any subsequent owner of the Mortgaged Property and Mortgagee extending the time of payment or modifying the term of this Mortgage or the Loan Agreement without first having obtained the consent of Mortgagor or such other person; and in the latter event Mortgagor and all such other persons shall continue to be liable to make payments according to the terms of any such extension or modification agreement, unless expressly released and discharged in writing by Mortgagee. No release of all or any part of the security as aforesaid shall in any way impair or affect the lien of this Mortgage or its priority over any subordinate lien.

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(d) Waiver. Mortgagor hereby waives, to the full extent it may lawfully do so, the benefit of any and all rights of stay, extension, appraisal, moratorium and redemption, now or hereafter available, and any and all rights of marshalling in the event of any sale of the Mortgaged Property or any part thereof or any interest therein pursuant to foreclosure as herein provided, and any right Mortgagor may have to require Mortgagee to obtain any bond or make any oath.

(e) Additional Rights and Remedies. All advances, disbursements and expenditures made by Mortgagee before and during foreclosure, prior to sale and, where applicable, after sale, to preserve or restore the Mortgaged Property, to preserve the lien of this Mortgage or the priority thereof, to enforce this Mortgage, or for any other purposes provided for herein or in the Illinois Mortgage Foreclosure Act, 735 ILCS 5/15 - 1101 et seq. (the "Illinois Act") shall be lien as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded, pursuant to Subsection (b) (5) of Section 15-1302 of the Illinois Act.

To the extent the Mortgaged Property is located in the State of Illinois, the Mortgagee shall have the right to foreclose the lien hereof for the Secured Obligations or part thereof and pursue all remedies afforded to a mortgagee under and pursuant to the Illinois Act.

Mortgagor acknowledges that the Mortgaged Property does not constitute agricultural real estate, as such term is defined in Section 15-1201 of the Illinois Act, or residential real estate, as defined in Section 15-1219 of the Illinois Act. Mortgagor hereby waives any and all rights of redemption from sale under any judgment of foreclosure of this Mortgage on behalf of Mortgagor and each and every person acquiring any interest in or title to the Mortgaged Property of any nature whatsoever, subsequent to the date of this Mortgage.

16. Application of Proceeds. All proceeds from each sale of, or other realization upon, all or any part of the Mortgaged Property following an Event of Default shall be applied or paid over as provided in the Loan Agreement or in the event of foreclosure as set forth in Section 14(d) hereof.

17. Counsel Fees. If Mortgagee (a) becomes a party to any suit or proceeding affecting the Mortgaged Property, title to the Mortgaged Property, the lien created by this Mortgage or Mortgagee's interest therein (including any proceeding in the nature of eminent domain) or (b) engages counsel to collect any of the indebtedness or to enforce performance of the agreements, conditions, covenants, provisions or stipulations of this Mortgage or the Loan Agreement, then all of Mortgagee's reasonable costs, expenses and counsel fees to the extent allowed

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by law, whether or not suit is instituted, shall be paid to Mortgagee by Mortgagor, on demand, with interest at the rate provided in the Loan Agreement, and until paid such amounts shall be deemed to be part of the Secured Obligations evidenced by the Loan Agreement and secured by this Mortgage.

18. Sale a Bar against Mortgagor. Any sale of the Mortgaged Property or any part thereof or any interest therein, whether pursuant to foreclosure or otherwise hereunder, shall be a perpetual bar against Mortgagor.

19. Separate Suits. Mortgagee shall have the right, at any time and from time to time, to sue for any sums required to be paid under this Mortgage, the Loan Agreement, the Notes, the Security Documents or any other Loan Documents, as the same become due and payable, without regard to whether or not the entire Secured Obligations shall be due, and without prejudice to the right of Mortgagee thereafter to enforce any appropriate remedy against Mortgagor, including an action of foreclosure or any other action for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

20. Restoration of Parties. In the event Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage, and such proceedings are discontinued or abandoned for any reason, then Mortgagor and Mortgagee shall immediately be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceeding had taken place.

21. Subrogation. To the extent permitted by applicable law and to the full extent of the Secured Obligations, Mortgagee is hereby subrogated to the liens, claims and demands, and to the rights of the owners and holders of each and every lien, claim, demand and other encumbrance on the Mortgaged Property which is paid or satisfied, in whole or in part, out of the proceeds of the Secured Obligations, and the respective liens, claims, demands and other encumbrances shall be and each of them is hereby preserved and shall pass to and be held by Mortgagee as additional collateral and further security for the Secured Obligations, to the same extent they would have been preserved and would have been passed to and held by Mortgagee had they been duly and legally assigned, transferred, set over and delivered unto Mortgagee by assignment, notwithstanding the fact that the same may be satisfied and canceled of record.

22. No Waiver. No modification or waiver by Mortgagee of any right or remedy under this Mortgage shall be effective unless made in writing. No delay by Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by law, shall operate as a waiver thereof or preclude the exercise thereof upon the occurrence of an Event of Default. No failure by Mortgagee to

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insist upon the strict performance by Mortgagor of each and every covenant and agreement of Mortgagor under the Notes or this Mortgage or the Loan Agreement shall constitute a waiver of any such covenant or agreement, and no waiver by Mortgagee of any Event of Default shall constitute a waiver of or consent to any subsequent Event of Default. No failure of Mortgagee to exercise its option to accelerate the maturity of the Secured Obligations, nor any forbearance by Mortgagee before or after the exercise of such option, nor any withdrawal or abandonment by Mortgagee of any action of or sale upon foreclosure hereunder or any of its rights under such action or sale, shall be construed as a waiver of any option, power or right of Mortgagee hereunder.

23. **Further Assurances.** Mortgagor will, at the expense of Mortgagor, and without expense to Mortgagee, do, execute, acknowledge and deliver all such further acts, deeds, conveyances, mortgages, assignments, security agreements, notices of assignment, transfers and assurances as Mortgagee shall from time to time reasonably require, for the better assuring, conveying, mortgaging, assigning, transferring and confirming unto Mortgagee the Mortgaged Property and rights hereby conveyed or assigned or intended now or hereafter to be conveyed or assigned, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage, or for correcting this Mortgage, or for filing, registering or recording this Mortgage and, on demand, will execute and deliver, and hereby authorizes Mortgagee to execute in the name of Mortgagor to the extent it may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the security interest and lien hereof upon the Additional Property. Mortgagor forthwith upon the execution and delivery of this Mortgage, and thereafter from time to time, will cause this Mortgage and any security instrument required hereunder creating a security interest in the Additional Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and to protect fully the security interest and lien hereof upon, and the interest of Mortgagee in, the Additional Property.

24. **Mortgagor as Tenant Holding Over.** In case of a sale upon foreclosure as provided in this Mortgage, Mortgagor, if then in possession, and any person in possession under Mortgagor, as to whose interest such sale was not made subject, shall, at the option of the purchaser at such sale, then become and be tenants holding over, and shall forthwith deliver possession to such purchaser, or be summarily dispossessed in accordance with the laws applicable to tenants holding over.

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25. **Severability.** If any provision, paragraph, sentence, clause, phrase or word of this Mortgage, or the application thereof in any circumstance, is held invalid or unenforceable, the validity and enforceability of the remainder of this Mortgage, and of the application of any such provision, paragraph, sentence, clause, phrase or word in any other circumstance, shall not be affected thereby, it being intended that all rights, powers and privileges of Mortgagee hereunder shall be enforceable to the fullest extent permitted by law.

26. **Waiver of Homestead.** Mortgagor, for itself and family, hereby waives and renounces any and all homestead and exemption rights which he or his family may have under or by virtue of the Constitution or the laws of the United States or of any state, in and to the Mortgaged Property as against the collection of all amounts secured hereby or any part thereof, and does transfer, convey and assign to the holder hereof a sufficient amount of such homestead or exemption as may be allowed, including but not limited to such homestead or exemption as may be set apart in bankruptcy, up to an amount sufficient to pay the amounts secured hereby in full, with all costs of collection, and does hereby direct any trustee in bankruptcy having possession of such homestead or exemption to deliver to Mortgagee a sufficient amount of property or money set apart as exempt to be applied to the amounts secured hereby and does hereby appoint Mortgagee the attorney in fact for Mortgagor to claim any and all homestead exemptions allowed by law. Mortgagor hereby warrants that no one has any homestead rights in the Mortgaged Property or any part thereof.

27. **Power of Mortgagee to Reconvey or Consent.** Without affecting the liability of Mortgagor or any other person for the payment of the Secured Obligations or any part thereof, including such portions of the Secured Obligations as may be due at the time of or after any release of any portion of the Mortgaged Property from the lien of this Mortgage, and without affecting the lien of this Mortgage upon any remainder of the Mortgaged Property which has not been so released for the full amount of the Secured Obligations then or thereafter secured hereby, and without affecting the rights and powers of Mortgagee with respect to such remainder of the Mortgaged Property, Mortgagee may, at its option, do any one or more of the following: (i) release all or any part of the Secured Obligations; (ii) extend the time or otherwise alter the terms of payment of all or any part of the Secured Obligations; (iii) accept additional or substitute security; (iv) release all or any part of the Mortgaged Property from the lien of this Mortgage; (v) consent to the making of any map or plat of all or any part of the Mortgaged Property; (vi) join in the granting of any easement upon all or any part of the Mortgaged Property; (vii) join in any extension agreement or any agreement subordinating or otherwise affecting the security title or charge hereof or the priority thereof.

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28. **Notices.** All notices and communications hereunder shall be delivered in the manner and to the addresses specified in the Loan Agreement.

29. **WAIVER OF RIGHTS.** MORTGAGOR HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY WAIVES ANY RIGHT MORTGAGOR MAY HAVE UNDER THE CONSTITUTION OF ANY STATE OR THE CONSTITUTION OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS MORTGAGE OTHER THAN THE RIGHT TO A JUDICIAL HEARING PRIOR TO A FORECLOSURE OF THIS MORTGAGE. MORTGAGOR AND MORTGAGEE, BY ITS ACCEPTANCE HEREOF, EACH HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING OF ANY KIND OR NATURE IN ANY COURT IN WHICH AN ACTION MAY BE COMMENCED BY OR AGAINST MORTGAGOR OR MORTGAGEE ARISING OUT OF THIS MORTGAGE, THE COLLATERAL OR ANY ASSIGNMENT THEREOF OR BY REASON OF ANY OTHER CAUSE OR DISPUTE WHATSOEVER BETWEEN SUCH MORTGAGOR AND MORTGAGEE OF ANY KIND OR NATURE. ALL WAIVERS BY MORTGAGOR AND MORTGAGEE IN THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY, AFTER MORTGAGOR AND MORTGAGEE HAVE BEEN FIRST INFORMED BY COUNSEL OF THEIR OWN CHOOSING AS TO POSSIBLE ALTERNATIVE RIGHTS, AND HAVE BEEN MADE AS AN INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A KNOWN RIGHT AND PRIVILEGE.

30. **Amendment.** This Mortgage cannot be changed or amended except by an agreement in writing signed by the party against whom enforcement of the change is sought.

31. **Captions.** The captions preceding the text of the sections or subsections of this Mortgage are inserted only for convenience of reference and shall not constitute a part of this Mortgage, nor shall they in any way affect its meaning, construction or effect.

32. **Leasehold Mortgage.** This Mortgage creates a security interest in, among other things, Mortgagor's leasehold estate under the Lease. To the extent any of the obligations imposed on Mortgagor under this Mortgage are the obligation of Lessor or other third parties under the Lease, Mortgagor's obligation under this Mortgage as to such matters shall be to use its commercially reasonable efforts to cause Lessor or other applicable party to perform those obligations. Further, to the extent that any of the obligations imposed on Mortgagor under this Mortgage are expressly limited under the Lease, Mortgagor's obligation under this Mortgage as to such matters shall be to perform those obligations within the limitations imposed by the Lease.

33. **Assignment.** All the provisions of this Mortgage and the Loan Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, except that Mortgagor may not assign or transfer any of its rights hereunder without the consent of Mortgagee, which

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consent shall not under this Mortgage or the Loan Agreement be unreasonably withheld.

34. Business Purpose. Mortgagor warrants that this Mortgage is delivered in connection with a business or commercial loan transaction.

35. Warranty of Title. Mortgagor warrants and represents that Mortgagor has good title to the Mortgaged Property, is lawfully seized and possessed of the Mortgaged Property, and has the right to mortgage the same, that the Mortgaged Property is free and clear of all liens, restrictions, and encumbrances except as set forth on Exhibit B attached hereto and made a part hereof, and Mortgagor warrants and will forever defend the Mortgaged Property unto Mortgagee, its successors-in-title and assigns, against the claims of all persons whomsoever, except for the matters set forth on Exhibit B.

36. Rights Cumulative. The rights of Mortgagee granted and arising under the clauses and covenants contained in this Mortgage, the Loan Agreement and any and all other documents, instruments, or agreements relating to the Secured Obligations shall be separate, distinct and cumulative of other powers and rights which Mortgagee may have at law or in equity, and none of them shall be in exclusion of the others; and all of them are cumulative to the remedies for collection of indebtedness, enforcement of rights under mortgages and security agreements and preservation of security as provided by law. No act of Mortgagee shall be construed as an election to proceed under any one provision herein or under the Loan Agreement to the exclusion of any other provision, or as an election of remedies to the bar of any other remedy allowed at law or in equity, anything herein or otherwise to the contrary notwithstanding.

37. Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagor under this Mortgage, the Loan Agreement and any and all other instruments now or hereafter evidencing, securing or otherwise relating to the Secured Obligations.

38. Governing Law. It is understood and agreed by the parties hereto that this Mortgage and the rights and remedies of the parties hereunder shall be governed and determined by the laws of the State of Illinois.

39. Satisfaction. If and when Mortgagor shall pay in full the Secured Obligations and there shall exist no further commitment by Mortgagee or Lender to make Loans to Mortgagor under the Loan Agreement or otherwise, all of the grants and conveyances under this Mortgage shall be and become null and void and Mortgagee, at Mortgagor's expense, shall execute and deliver to Mortgagor in proper form for recording a satisfaction or

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IN WITNESS WHEREOF, this Mortgage has been duly executed, delivered and sealed by Mortgagor as of the day and year first above written.

MORTGAGOR:

ALABAMA METAL INDUSTRIES
CORPORATION, a Delaware
corporation

By: *William S. Baird*
Name: William S. Baird
Title: President

Attest: *Roland T. Short*
Name: Roland T. Short
Title: Secretary

[CORPORATE SEAL]

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Exhibit "A"

A portion only, as defined and described and delineated in that certain Industrial Space Lease dated November 4, 1988, by and between Alabama Metal Industries Corporation, as Tenant, and Blaw Knox Corporation, as Landlord, of the following described real estate shown below, said portion being described in said Lease as approximately 100,000 square feet in the building located at 2101 Gardner Road, Broadview, Illinois, (Bays 5, 6 and 7 from Column 14 wall to Column 34) and as shown on Exhibit "A" to said Memorandum and Ratification of Lease by and between First Industrial Securities, L.P., and Alabama Metal Industries Corporation:

PARCEL 1:

That part of Lot 16 lying West of the West right-of-way line of Indiana Harbor Belt Railroad Company (except the South 646.07 feet thereof) in School Trustees' Subdivision of Section 16, Township 39 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

The South 646.07 feet of that part of Lot 16 lying West of the West right-of-way line of Indiana Harbor Belt Railroad Company (except that part taken for Roosevelt Road) in School Trustees' Subdivision of Section 16, Township 39 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois.

Street Address: 2101 Gardner Road, Broadview, Illinois 60153

Real Estate Tax Property Identification Number (PIN):

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Exhibit "B"

(Cook County, Illinois)

1. Taxes for the year 1996 and subsequent years which are not yet due and payable.
2. Easement Grant dated August 31, 1992 recorded August 16, 1993 as Document Number 93644644 to the Metropolitan Water Reclamation District of Greater Chicago, a municipal corporation, and its successors and assigns, for a permanent subterranean easement and right and authority to construct, reconstruct, repair, replace, operate and maintain the sewer system (Berkeley-Hillside-Bellwood Relief Sewer, Northwest 8B) and appurtenances thereto through the premises described therein; and the terms, provisions, covenants and conditions therein contained.
3. Grant of Easement dated November 21, 1967 recorded November 27, 1967 as Document Number 20332786 to Commonwealth Edison Company, an Illinois corporation, and its successors and assigns, to construct, erect, operate, use, maintain, relocate, renew and remove electrical transmission lines including wires, cables and fixtures and appurtenances attached thereto over, through, along and across that part of the land described therein for transmission of electric energy, such lines to form a part of an electrical transmission system, together with the right of ingress and egress to and over the land for such purposes, including patrolling the lines, repairing, removing, renewing or adding to the number of said facilities, and for doing anything necessary, useful or convenient for the enjoyment of said easement, and also providing therein that there is expressly reserved to the Grantee the right to use, operate and maintain the existing buildings and structures thereon and any additional buildings or structures thereon not exceeding the height from the ground of existing buildings of 48 feet and that any such building or structure on the easement premises shall not exceed the height of the highest building or structure said height being 48 feet presently located on said easement premises, and that no vehicle or machinery or equipment having a height greater than 45 feet above existing grade level shall be used upon or stored or allowed to traverse said easement premises; and the terms, provisions, covenants and conditions therein contained.
4. Grant of Easement dated July 18, 1950 recorded August 1, 1950 as Document Number 14866163 to Public Service Company of Northern Illinois, and its successors and assigns, to construct, maintain, renew, remove and operate gas pipe lines and appurtenances and gas regulator installation as described therein.
5. Title to approximately the West 33 feet of Parcels 1 and 2 and also approximately the West 40 feet of the Southwesterly portion of Parcel 2 dedicated, taken and used for and falling within Gardiner Road (formerly Pusehek Road); and rights in and to said parts of the subject premises of the Public, the Village of Broadview, the County of Cook, and the State of Illinois; and rights in and to said parts of Parcels 1 and 2 of public and quasi-public utilities and the Village of Broadview and County of Cook for the use, operation, maintenance, repair and servicing of any of their utility or municipal facilities located therein.

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6. Railroad track located on Southeasterly portion of Parcels 1 and 2, as disclosed in recorded Deeds conveying Parcels 1 and 2 recorded as Documents Numbers 27062681 and 85208361 and 87669496 and 87669497 and 95801485, as disclosed on certain surveys referenced in said Deeds; and as shown on survey by Thomas M. Sheets, Murry and Moody, Ltd., dated July 26, 1996; and relative thereto we also note the rights of the railroad company to the use, operation, maintenance and repair of same.

7. Electric utility easement as disclosed by overhead electric wires as depicted on plat of survey by Compass Land Surveying and Mapping, Order Number 7499 dated August 27, 1994, as disclosed in recorded Deed conveying Parcels 1 and 2 recorded as Document Number 95801485; and as shown on survey by Thomas M. Sheets, Murry and Moody, Ltd., dated July 26, 1996; and relative thereto we also note the rights of the utility to the use, operation, maintenance repair and servicing of said overhead electric wires.

8. Encroachment of the 1-story brick and concrete building located mainly on the land onto the property East and adjoining by approximately 0.35 ft., as shown on plat of survey Number 7499 prepared by Compass Land Surveying and Mapping dated August 27, 1994; as disclosed in recorded Deed conveying Parcels 1 and 2 recorded as Document Number 95801485; and encroachment of said building by approximately from 0.10 ft to 0.43 ft. over East line onto property East and adjoining, as shown on survey by Thomas M. Sheets, Murry and Moody, Ltd., dated July 26, 1996.

9. The following are provided for information:

(a) The following Environmental Disclosure Document for Transfer of Real Property appears of record which includes a description of the land or a part thereof: Document Number 94910867 recorded October 25, 1994.

(b) The following Environmental Disclosure Document for Transfer of Real Property appears of record which includes a description of the land or a part thereof: Document Number 91322864 recorded July 1, 1991.

10. Mortgage, Security Agreement, Fixture Filing, Financing Statement and Assignment of Leases and Rents from American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated March 3, 1986 and known as Trust No. 66758 to Sun Life Insurance Company of America, a Maryland corporation, to secure an indebtedness in the original principal amount of \$5,530,000.00, dated July 1, 1991 and recorded July 1, 1991 as Document Number 91322863. (Affects Parcels 1 and 2).

11. Security interest of Sun Life Insurance Company of America, secured party, in certain described chattels on the land, as disclosed by Financing Statement executed by American National Bank and Trust Company of Chicago as Trustee under Trust No. 66758, debtor, and filed on July 2, 1991 as Document Number 91 U 11495.

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12. Security interest of Sun Life Insurance Company of America, secured party, in certain described chattels on the land, as disclosed by Financing Statement executed by Broadview Partnership, debtor, and filed on July 2, 1991 as Document Number 91 U 11496, described in Schedule A hereof.

13. Mechanic's Lien Claim in the amount of \$1,533.65, plus interests and costs, recorded April 5, 1995 as Document No. 95228832, made by Star Piping and Heating Co., Inc., against First Industrial, L.P.

14. Survey by Thomas M. Sheets, Murry and Moody, Ltd., dated July 26, 1996 discloses the following:

(a) Overhead utility wires and storm sewer manholes and sanitary sewer manholes and water valve vaults, and related utility and sewer and water facilities, in, under, over, across, upon and through the West 33 feet dedicated, taken and used for Gardiner Road (formerly Puschek Road) shown above at exception number 5; and relative thereto, rights of the utilities and municipality and county to the use, operation, maintenance, repair and servicing of said equipment and facilities;

(b) Overhead utility wires over Northerly and Westerly portions of Parcel 1 and electrical sub station (within fenced area) on Westerly portion of Parcel 1; and relative thereto, rights of the utilities to the use, operation, maintenance, repair and servicing of said equipment and facilities;

(c) Electrical equipment on Northeasterly portion of Parcel 1; and relative thereto, rights of the utilities to the use, operation, maintenance, repair and servicing of said equipment;

(d) High voltage area (fenced in area which also includes a wood building) located mainly on Southeasterly portion of Parcel 2 along the South line, and also encroaching over the South line onto the adjoining public right-of-way; and relative thereto, rights of the utilities to the use, operation, maintenance, repair and servicing of said facility;

(e) Gas Company Easement Note on said survey, as follows: "Easement per Doc. No. 14866163 to Public Service Company of Northern Illinois is vague as to exact location of easement. Intent seems to be over actual location of mains as they now exist. Easement states parts will fall within building and along West and South property lines. For exact location of mains, contact grantee. (Previous survey shows within West 33 feet of Parcels 1 and 2)",

(f) Encroachment of the brick and concrete building located on the land over and upon the subterranean sewer easement recorded as Document Number 93644644 shown above at exception number 2, said subterranean easement running under and through the Southwesterly portion of said building as shown on said survey."

15. Terms, provisions, covenants and conditions contained in that certain Lease by and between Blaw Knox Corporation, Lesssor, and Alabama Metal Industries Corporation, Lessee, dated November 4, 1988, as amended by the First Amendment thereto by and between American

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EXHIBIT C

Schedule 1

(Description of "Debtor")

1. The name and identity of Debtor: **ALABAMA METAL INDUSTRIES CORPORATION**, a Delaware corporation
2. The principal place of business of Debtor is:

3245 Fayette Avenue
Birmingham, Alabama 35208
3. Debtor's Chief Executive Office in the State of Illinois is located at the following address:

2101 Gardner Road
Broadview, Illinois 60153
4. Debtor has been using or operating under said name and identity without change for the following time period:

35 years

Schedule 2

(Notice mailing addresses of "Debtor" and "Secured Party")

1. The mailing address of Debtor is:

3245 Fayette Avenue
Birmingham, Alabama
2. The mailing address of Secured Party is:

The First National Bank of Boston, an Agent
115 Perimeter Center Place
Suite 500
Atlanta, Georgia 30346
Attention: Mr. John C. Todd

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