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1998-05-12 16:05:16
Cook County Recorder

MAY 11, 1998

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THE UNDERSIGNED HEREBY STATES THE FOLLOWING:

A MORTGAGE, ASSIGNMENT OF RENTS, AND FIXTURE FILING DOCUMENT EXECUTED BY SOUTH CHICAGO PROPERTY MANAGEMENT COMPANY, LTD. AND BANK OF AMERICA DATED APRIL 23, 1998 IN THE AMOUNT OF \$875,000.00, MORTGAGING THE FOLLOWING DESCRIBED PROPERTY:

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7649217, D11, TRH

THAT PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 19, TOWNSHIP 37 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EASTERLY CHANNEL LINE OF THE CALUMET RIVER, AS ESTABLISHED BY SURVEY OF THE UNITED STATES ENGINEER'S OFFICE WAR DEPARTMENT (AS SHOWN ON SHEET NO. 6 DATED MARCH 1939 AND SHEET NO. 7 DATED MARCH 1938) TITLED "CONTROL SURVEY CALUMET RIVER", BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 19; THENCE SOUTH 89 DEGREES 38 MINUTES 23 SECONDS WEST ALONG THE NORTH LINE OF SAID SECTION 19 (BASIS OF BEARINGS) 1508.48 FEET; THENCE SOUTH 00 DEGREES 43 MINUTES 42 SECONDS EAST 244.82 FEET ALONG A LINE 40 FEET WESTERLY FROM, MEASURED AT RIGHT ANGLES, AND PARALLEL WITH THE WEST RIGHT-OF-WAY LINE OF CONRAIL (FORMERLY THE SOUTH CHICAGO AND SOUTHERN RAILROAD) TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00 DEGREES 43 MINUTES 42 SECONDS EAST 1038.20 FEET ALONG SAID LINE 40 FEET WESTERLY FROM, MEASURED AT RIGHT ANGLES, AND PARALLEL WITH THE PREVIOUSLY MENTIONED WEST RIGHT-OF-WAY LINE OF CONRAIL; THENCE SOUTH 89 DEGREES 38 MINUTES 23 SECONDS WEST 287.71 FEET ALONG THE NORTHERLY LINE OF REPUBLIC ENGINEERED STEELS, INC.; THENCE SOUTH 59 DEGREES 48 MINUTES 04 SECONDS WEST 1584.98 FEET ALONG THE NORTHWESTERLY LINE OF REPUBLIC ENGINEERED STEELS, INC.; THENCE NORTH 07 DEGREES 51 MINUTES 15 SECONDS WEST 641.95 FEET ALONG THE EASTERLY CHANNEL LINE OF THE CALUMET RIVER; THENCE NORTH 01 DEGREE 06 MINUTES 41 SECONDS EAST 569.35 FEET ALONG SAID EASTERLY CHANNEL LINE; THENCE NORTH 58 DEGREES 41 MINUTES 01 SECOND EAST 740.33 FEET; THENCE NORTH 13 DEGREES 32 MINUTES 22 SECONDS WEST 124.01 FEET; THENCE NORTH 61 DEGREES 50 MINUTES 14 SECONDS EAST 613.80 FEET; THENCE SOUTH 77 DEGREES 54 SECONDS 07 MINUTES EAST 165.39 FEET; THENCE SOUTH 24 DEGREES 08 MINUTES 50 SECONDS EAST 297.67 FEET; THENCE NORTH 63 DEGREES 56 MINUTES 50 SECONDS EAST 326.13 FEET TO THE POINT OF BEGINNING, CONTAINING 48.778 ACRES, MORE OR LESS, ALL IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBERS: 26-19-201-018; 26-19-102-007; 26-19-102-019; 26-19-200-020; AND 26-19-200-022

WAS DELIVERED TO CHICAGO TITLE INSURANCE COMPANY FOR RECORDING ON OR ABOUT APRIL 27, 1998 SAID DOCUMENT WAS SUBSEQUENTLY LOST, MISPLACE OR DESTROYED. ATTACHED HERETO AS EXHIBIT "A" IS A COPY OF SAID ORIGINAL DOCUMENT.

Jodi L. Henninger
CHICAGO TITLE INSURANCE COMPANY

BY: JODI L. HENNINGER
TITLE: ASSISTANT TITLE OFFICER

SUBSCRIBED AND SWORN BEFORE ME THIS 11 DAY OF MAY, 1998
NOTARY PUBLIC

Jodi L. Henninger

"OFFICIAL SEAL"
JANET JOHNSON WEST
Notary Public, State of Illinois
My Commission Expires 3/12/01

Box 333

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Recording Requested by and when Recorded Mail to:

#12

Bank of America, FSB
SBA Lending Group #51002
P. O. Box 98624
Las Vegas, Nevada 89193-8624
APLOG No.: 344-6626

Property Address:
48.778 Acre Industrial Site East Side of the Calumet River
at 116th Street
Chicago, Illinois 60633
County: Cook
P.I.N.: 26-19-200-022-0000

Space above this line for Recorder's Use Only.



**MORTGAGE, ASSIGNMENT OF RENTS
AND FIXTURE FILING**

If this box is checked, this document is a **CONSTRUCTION
MORTGAGE** securing a construction loan.

This Mortgage is made as of April 23, 1998, by South Chicago Property Management Company, Ltd., an Ohio limited liability company, as mortgagor ("Mortgagor"), to Bank of America, FSB, a federal savings bank, as mortgagee ("Mortgagee").

1. MORTGAGE GRANT

1.1 The Property. For the purpose of securing payment and performance of the Secured Obligations defined in Section 2 below, Mortgagor hereby irrevocably absolutely, presently and unconditionally mortgages, grants, bargains, warrants, remises, releases, alienates and conveys, to Mortgagee, its substitutes, successors and/or assigns, forever, all estate, right, title and interest which Mortgagor now has or may later acquire in the following property (collectively, the "Property"):

- (a) The real property located in the County of Cook, State of Illinois, as described in Exhibit "A" hereto;
- (b) All buildings, structures, improvements, fixtures and appurtenances now or hereafter placed on such real property, and all apparatus and equipment now or hereafter attached in any manner to the real property or any building on the real property, including all pumping plants, engines, pipes, ditches and flumes, and also all gas, electric, cooking, heating, cooling, air conditioning, lighting, refrigeration and plumbing fixtures and equipment, all of which shall be considered to the fullest extent of the law to be real property for purposes of this Mortgage;
- (c) All easements and rights of way appurtenant to such real property; all crops (growing or to be grown on such real property); all standing timber upon such real property; all development rights or credits and air rights; all water and water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant to such real property) and shares of stock pertaining to such water or water rights, ownership of which affect such real property; all minerals, oil, gas, and other hydrocarbon substances and rights thereto in, on, under, or upon such real property;
- (d) All existing and future leases, subleases, subtenancies, licenses, occupancy agreements and concessions relating to the use and enjoyment of all or any part of such real property, and any and all guaranties and other agreements relating to or made in connection with any of the foregoing;

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- (e) All proceeds, including all claims to and demands for them, of the voluntary or involuntary conversion of any of the real property, buildings or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any breach of warranty, misrepresentation, damage or injury to, or defect in, the real property, buildings or the other property described above or any part of them; and
- (f) All proceeds of, additions and accretions to, substitutions and replacements for, and changes in any of the property described above.

TO HAVE AND TO HOLD the Property together with the rents, issues, profits and proceeds thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois (which rights and benefits are hereby expressly released and waived), subject, however, to the terms, covenants and conditions hereof.

- 1.2 **Fixture Filing.** This Mortgage constitutes a financing statement filed as a fixture filing under Section 9-402(6) of the Illinois Uniform Code, as amended or recodified from time to time, covering any Property which now is or later may become a fixture attached to the real property described in Paragraph 1.1(a) or any building located thereon.

2. THE SECURED OBLIGATIONS

- 2.1 **Purpose of Securing.** Mortgagor makes the mortgage, grant, bargain, warrant, remise, release, alienation and conveyance set forth in Section 1 for the purpose of securing the following obligations (the "Secured Obligations") in any order of priority that Mortgagee may choose:

- (a) Payment of all obligations of South Chicago Property Management Company, Ltd., an Ohio limited liability company ("Obligor") to Mortgagee arising under the instrument(s) or agreement(s) described below (the "Debt Instrument"): a promissory note dated as of April 23, 1998 payable by Obligor as maker in the stated principal amount of *Eight Hundred Seventy Five Thousand and 00/100ths* Dollars (\$875,000.00) to the order of Mortgagee.

This Mortgage also secures payment of all obligations of Obligor under the Debt Instrument which arise after the Debt Instrument is extended, renewed, modified or amended pursuant to any written agreement between Obligor and Mortgagee, and all obligations of Obligor under any successor agreement or instrument which restates and supersedes the Debt Instrument in its entirety.

- (b) Payment and performance of all obligations of South Chicago Property Management Company, Ltd., an Ohio limited liability company under a STANDING Loan Agreement executed as of April 23, 1998, by Mortgagor as "Borrower" and Mortgagee as "Bank" (the "Loan Agreement"); and
- (c) Payment and performance of all obligations of Mortgagor under this Mortgage; and
- (d) Payment and performance of all future advances and other obligations that Mortgagor (or any successor in interest to Mortgagor) or Obligor (if different from Mortgagor) may agree to pay and/or perform (whether as principal, surety or guarantor) to or for the benefit of Mortgagee, when a writing signed by Mortgagor (or any successor in interest to Mortgagor) evidences said parties' agreement that such advance or obligation be secured by this Mortgage.

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Notwithstanding the foregoing, at no time shall the principal amount of the Secured Obligations, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed two hundred percent (200%) of the original principal amount of the Debt Instruments.

This Mortgage does not secure any obligation which expressly states that it is unsecured, whether contained in the foregoing Debt Instrument or in any other document, agreement or instrument. Unless specifically agreed in writing, this agreement does not cover "consumer credit" subject to the disclosure requirements of the Federal Truth-in-Lending law or any regulations promulgated thereunder.

2.2 Terms of Secured Obligations. All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Debt Instrument described in Paragraph 2.1(a) and each other agreement or instrument made or entered into in connection with each of the Secured Obligations.

3. ASSIGNMENT OF RENTS

3.1 Assignment. Mortgagor hereby irrevocably, absolutely, presently and unconditionally assigns to Mortgagee all rents, royalties, issues, profits, revenue, income and proceeds of the Property, whether now due, past due or to become due, including all prepaid rents and security deposits (collectively, the "Rents"), and confers upon Mortgagee the right to collect such Rents with or without taking possession of the Property. In the event that anyone establishes and exercises any right to develop, bore for or mine for any water, gas, oil or mineral on or under the surface of the Property, any sums that may become due and payable to Mortgagor as bonus or royalty payments, and any damages or other compensation payable to Mortgagor in connection with the exercise of any such rights, shall also be considered Rents assigned under this Paragraph. This is an absolute assignment, not an assignment for security only.

3.2 Grant of License. Notwithstanding the provisions of Paragraph 3.1, Mortgagee hereby confers upon Mortgagor a license ("License") to collect and retain the Rents as they become due and payable, so long as no Event of Default, as defined in Paragraph 5.2, shall exist and be continuing. If an Event of Default has occurred and is continuing, Mortgagee shall have the right, which it may choose to exercise in its sole discretion, to terminate this License without notice to or demand upon Mortgagor, and without regard to the adequacy of the security for the Secured Obligations.

4. RIGHTS AND DUTIES OF THE PARTIES

4.1 Representations and Warranties. Mortgagor represents and warrants that Mortgagor lawfully possesses and holds fee simple title to all of the Property, unless Mortgagor's present interest in the Property is described in Exhibit "A" as a leasehold interest, in which case Mortgagor lawfully possesses and holds a leasehold interest in the Property as stated in Exhibit "A". Mortgagor further represents and warrants to Mortgagee that the proceeds of the loans and other financial accommodations secured by this Mortgage will be used for the purposes specified in Section 6404 4(c) of Chapter 17 of the Illinois Revised Statutes (or any substitute amendment or replacement statutes), and that the principal obligation secured hereby constitutes a "business loan" transacted solely for the purpose of carrying on or acquiring the business of Mortgagor which comes within the purview and operation of said paragraph. This Mortgage creates a first and prior lien on the Property.

4.2 Taxes, Assessments, Liens and Encumbrances. Mortgagor shall pay prior to delinquency all taxes, levies, charges and assessments, including assessments on appurtenant water stock, imposed by any public or quasi-public authority or utility company which are (or if not paid, may become) a lien on all or part of the Property or any interest in it, or which may cause any decrease in the value of the Property or any part of it.

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judgment. At Mortgagee's request, Mortgagor shall provide Mortgagee with a counterpart original of any policy, together with a certificate of insurance setting forth the coverage, the limits of liability, the carrier, the policy number and the expiration date. Each such policy of insurance shall be in an amount, for a term, and in form and content satisfactory to Mortgagee, and shall be written only by companies approved by Mortgagee. In addition, each policy of hazard insurance shall include a Form 438BFU or equivalent loss payable endorsement in favor of Mortgagee.

4.5 Maintenance and Preservation of Property.

- (a) Mortgagor shall keep the Property in good condition and repair and shall not commit or allow waste of the Property. Mortgagor shall not remove or demolish the Property or any part of it, or alter, restore or add to the Property, or initiate or allow any change in any zoning or other land use classification which affects the Property or any part of it, except with Mortgagee's express prior written consent in each instance.
- (b) If all or part of the Property becomes damaged or destroyed, Mortgagor shall promptly and completely repair and/or restore the Property in a good and workmanlike manner in accordance with sound building practices, regardless of whether or not Mortgagee agrees to disburse insurance proceeds or other sums to pay costs of the work of repair or reconstruction under Paragraph 4.3.
- (c) Mortgagor shall not commit or allow any act upon or use of the Property which would violate any applicable law or order of any governmental authority, whether now existing or later to be enacted and whether foreseen or unforeseen, or any public or private covenant, condition, restriction or equitable servitude affecting the Property. Mortgagor shall not bring or keep any article on the Property or cause or allow any condition to exist on it, if that could invalidate or would be prohibited by any insurance coverage required to be maintained by Mortgagor on the Property or any part of it under this Mortgage.
- (d) If Mortgagor's interest in the Property is a leasehold interest, Mortgagor shall observe and perform all obligations of Mortgagor under any lease or leases and shall refrain from taking any actions prohibited by any lease or leases. Mortgagor shall preserve and protect the leasehold estate and its value.
- (e) If the Property is agricultural, Mortgagor shall farm the Property in a good and husbandlike manner. Mortgagor shall keep all trees, vines and crops on the Property properly cultivated, irrigated, fertilized, sprayed and fumigated, and shall replace all dead or unproductive trees or vines with new ones. Mortgagor shall prepare for harvest, harvest, remove and sell any crops growing on the Property. Mortgagor shall keep all buildings, fences, ditches, canals, wells and other farming improvements on the Property in first class condition, order and repair.
- (f) Mortgagor shall perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value.

4.6 Releases, Extensions, Modifications and Additional Security. Without affecting the personal liability of any person, including Mortgagor (or Obligor, if different from Mortgagor), for the payment of the Secured Obligations or the lien of this Mortgage on the remainder of the Property for the unpaid amount of the Secured Obligations, Mortgagee is empowered as follows:

- (a) Mortgagee may from time to time and without notice:
 - (i) release any person liable for payment of any Secured Obligation;
 - (ii) extend the time for payment, or otherwise alter the terms of payment, of any Secured Obligation;
 - (iii) accept additional real or personal property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security;
 - (iv) alter, substitute or release any property securing the Secured Obligations;
 - (v) consent to the making of any plat or map of the Property or any part of it;
 - (vi) join in granting any easement or creating any restriction affecting the Property; or
 - (vii) join in any subordination or other agreement affecting this Mortgage or the lien of it.

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- 4.7 Release.** When all of the Secured Obligations have been paid and discharged in full and no further commitment to extend credit continues, Mortgagee shall release this Mortgage and the lien hereof.
- 4.8 Compensation and Reimbursement of Costs and Expenses.**
- (a) Mortgagor agrees to pay fees in the maximum amounts legally permitted, or reasonable fees as may be charged by Mortgagee when the law provides no maximum limit, for any services that Mortgagee may render in connection with this Mortgage, including Mortgagee's providing a statement of the Secured Obligations. Mortgagor shall also pay or reimburse all of Mortgagee's costs and expenses which may be incurred in rendering any such services.
 - (b) Mortgagor further agrees to pay or reimburse Mortgagee for all costs, expenses and other advances which may be incurred or made by Mortgagee to protect or preserve the Property and the liens created hereby or to enforce any terms of this Mortgage, including the exercise of any rights or remedies afforded to Mortgagee under Paragraph 5.3, whether any lawsuit is filed or not, or in defending any action or proceeding arising under or relating to this Mortgage, including attorneys' fees and other legal costs, costs of any sale of the Property and any cost of evidence of title.
 - (c) Mortgagor shall pay all obligations arising under this Paragraph immediately upon demand by Mortgagee. Each such obligation shall be added to, and considered to be part of, the principal of the Secured Obligations, and shall bear interest from the date the obligation arises at the rate provided in any instrument or agreement evidencing the Secured Obligations. If more than one rate of interest is applicable to the Secured Obligations, the highest rate shall be used for purposes hereof. If the instrument or agreement evidencing the Secured Obligations does not state a rate of interest, interest shall accrue at the rate of ten percent (10.00%) per annum.
- 4.9 Exculpation and Indemnification.**
- (a) Mortgagee shall not be directly or indirectly liable to Mortgagor or any other person as a consequence of any of the following:
 - (i) Mortgagee's exercise of or failure to exercise any rights, remedies or powers granted to it in this Mortgage;
 - (ii) Mortgagee's failure or refusal to perform or discharge any obligation or liability of Mortgagor under any agreement related to the Property or under this Mortgage;
 - (iii) Mortgagee's failure to produce Rents from the Property or to perform any of the obligations of the lessor under any lease covering the Property;
 - (iv) any waste committed by lessees of the Property or any other parties, or any dangerous or defective condition of the Property; or
 - (v) any loss sustained by Mortgagor or any third party resulting from any act or omission of Mortgagee in operating or managing the Property upon exercise of the rights or remedies afforded Mortgagee under Paragraph 5.3, unless the loss is caused by the willful misconduct and bad faith of Mortgagee.Mortgagor hereby expressly waives and releases all liability of the types described above, and agrees that no such liability shall be asserted against or imposed upon Mortgagee.
 - (b) Mortgagor agrees to indemnify Mortgagee against and hold them harmless from all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other costs and expenses which either may suffer or incur in performing any act required or permitted by this Mortgage or by law or because of any failure of Mortgagor to perform any of its obligations. This agreement by Mortgagor to indemnify Mortgagee shall survive the release and cancellation of any or all of the Secured Obligations and the full or partial release of this Mortgage.
- 4.10 Defense and Notice of Claims and Actions.** At Mortgagor's sole expense, Mortgagor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Mortgage and the rights and powers of Mortgagee created under it, against all adverse claims. Mortgagor shall give

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Mortgagee prompt notice in writing if any claim is asserted which does or could affect any of these matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

4.11 Intentionally Omitted.

4.12 Site Visits, Observation and Testing. Mortgagee shall have the right at any reasonable time to enter and visit the Property for the purposes of performing appraisals, observing the Property, taking and removing soil or groundwater samples, and conducting tests on any part of the Property. Mortgagee shall have no duty, however, to visit or observe the Property or to conduct tests, and no site visit, observation or testing by Mortgagee shall impose any liability on Mortgagee. In no event shall any site visit, observation or testing by Mortgagee be a representation that Hazardous Substances are or are not present in, on or under the Property, or that there has been or shall be compliance with any law, regulation or ordinance pertaining to Hazardous Substances or any other applicable governmental law. Neither Mortgagor nor any other party is entitled to rely on any site visit, observation or testing by Mortgagee. Mortgagee owes no duty of care to protect Mortgagor or any other party against, or to inform Mortgagor or any other party of, any Hazardous Substances or any other adverse condition affecting the Property. Mortgagee shall give Mortgagor reasonable notice before entering the Property. Mortgagee shall make reasonable efforts to avoid interfering with Mortgagor's use of the Property in exercising any rights provided in this Paragraph. For purposes of this Paragraph, "Hazardous Substance" means any substance, material or waste which is or becomes designated, classified or regulated as being "toxic" or "hazardous" or which is or become similarly designated, classified or regulated under any federal, state or local law, regulation or ordinance.

4.13 Impound Account. At the request of Mortgagee, Mortgagor will monthly pay to Mortgagee an amount equal to one-twelfth (1/12th) of the annual costs of taxes and assessments on the Property plus the estimated next insurance premiums on policies of insurance required under Paragraph 4.4 of this Mortgage divided by the number of months between the date of computation and the date the insurance premiums are due. Mortgagee may release the amounts paid under this Paragraph to Mortgagor for payment by Mortgagor of such taxes, assessments and insurance premiums, or Mortgagee may use such amounts itself to pay such taxes, assessments and insurance premiums, at Mortgagee's option.

5. ACCELERATING TRANSFERS, DEFAULT AND REMEDIES

5.1 Accelerating Transfers.

- (a) "Accelerating Transfer" means any sale, contract to sell, conveyance, encumbrance, lease, or other transfer, whether voluntary, involuntary, by operation of law or otherwise, of all or any material part of the Property or any interest in it, including any transfer or exercise of any right to drill for or to extract any water (other than for Mortgagor's own use), oil, gas or other hydrocarbon substance, or any mineral of any kind on or under the surface of the Property. If Mortgagor is a corporation, "Accelerating Transfer" also means any transfer or transfers of shares possessing, in the aggregate, more than fifty percent (50%) of the voting power. If Mortgagor is a partnership, "Accelerating Transfer" also means withdrawal or removal of any general partner, dissolution of the partnership under Illinois law, or any transfer or transfers of, in the aggregate, more than fifty percent (50%) of the partnership interests.
- (b) Mortgagor agrees that Mortgagor shall not make any Accelerating Transfer, unless the transfer is preceded by Mortgagee's express written consent to the particular transaction and transferee. Mortgagee may withhold such consent in its sole discretion. If any Accelerating Transfer occurs, Mortgagee in its sole discretion may declare all of the Secured Obligations to be immediately due and payable, and Mortgagee and Trustee may invoke any rights and remedies provided by Paragraph 5.3 of this Mortgage.

5.2 Events of Default. The occurrence of any one or more of the following events, at the option of Mortgagee, shall constitute an event of default ("Event of Default") under this Mortgage:

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- (a) Obligor fails to make any payment, when due, under the Debt Instrument (after giving effect to any applicable grace period), or any other default occurs under and as defined in the Debt Instrument or in any other instrument or agreement evidencing any of the Secured Obligations and such default continues beyond any applicable cure period;
- (b) Mortgagor fails to make any payment or perform any obligation which arises under this Mortgage;
- (c) Any representation or warranty made in connection with this Mortgage or the Secured Obligations proves to have been false or misleading in any material respect when made; or
- (d) Any default occurs under any other mortgage on all or any part of the Property, or under any obligation secured by such mortgage, whether such mortgage is prior to or subordinate to this Mortgage.

5.3 Remedies. At any time after the occurrence of an Event of Default, Mortgagee shall be entitled to invoke any and all of the rights and remedies described below, as well as any other rights and remedies authorized by law. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

- (a) Mortgagee may declare any or all of the Secured Obligations to be due and payable immediately.
- (b) Mortgagee, upon application to any court of competent jurisdiction, shall be entitled as a matter of strict right without notice and without regard to the occupancy or value of any security for the Secured Obligations or the insolvency of any party bound for its payment to the appointment of a receiver to take possession of and to operate the Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall have all of the rights and powers to the fullest extent permitted by law.
- (c) Mortgagee, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and in its own name or in the name of Mortgagor sue for or otherwise collect any and all Rents, including those that are past due, and may also do any and all other things in connection with those actions that Mortgagee may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: entering into, enforcing, modifying, or canceling leases on such terms and conditions as Mortgagee may consider proper; obtaining and evicting tenants; fixing or modifying Rents; completing any unfinished construction; contracting for and making repairs and alterations; performing such acts of cultivation or irrigation as necessary to conserve the value of the Property; and preparing for harvest, harvesting and selling any crops that may be growing on the property. Mortgagor hereby irrevocably constitutes and appoints Mortgagee as its attorney-in-fact to perform such acts and execute such documents as Mortgagee in its sole discretion may consider to be appropriate in connection with taking these measures, including endorsement of Mortgagor's name on any instruments. Mortgagor agrees to deliver to Mortgagee all books and records pertaining to the Property, including computer-readable memory and any computer hardware or software necessary to access or process such memory, as may reasonably be requested by Mortgagee in order to enable Mortgagee to exercise its rights under this Paragraph.
- (d) Mortgagee may cure any breach or default of Mortgagor, and if it chooses to do so in connection with any such cure, Mortgagee may also enter the Property and/or do any and all other things which it may in its sole discretion consider necessary and appropriate to protect the security of this Mortgage. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Mortgagee under, this Mortgage; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Mortgagee's sole judgment is or may be senior in priority to this Mortgage, such judgment of Mortgagee to be conclusive as among the parties to this Mortgage; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under this Mortgage; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Mortgagee. Mortgagee may take any of the actions permitted hereunder either with or without giving notice to any person.
- (e) Mortgagee may, either with or without entry or taking possession as herein provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy to (a) enforce

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payment of the Debt Instruments or the performance of any term, covenant, condition or agreement of Mortgagor hereunder, (b) foreclose the lien hereof for the Secured Obligations or part thereof and to sell the Property in its entirety or otherwise, as Mortgagee may determine, and/or (c) pursue any other right or remedy available to it under or by the law and/or decisions of the State of Illinois. In any civil action to foreclose the lien hereof or otherwise enforce Mortgagee's rights, there shall be allowed and included as part of the Secured Obligations in the order or judgment for foreclosure and sale or other order all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, costs and expenses, appraiser's fees, engineers fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimates as to items to be expended after entry of said order or judgment) for procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens' Certificates and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such civil action or to evidence to bidders at any sale which may be had pursuant to such order or judgment the true condition of the title to, or the value of, the Property. All expenditures and expenses of the nature in this section mentioned and such costs, expenses and fees as may be incurred in the protection of the Property and the maintenance of the lien of this Mortgage, including the fees, costs and expenses of any attorneys employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Debt Instruments or the Property, including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding, shall be immediately due and payable to Mortgagee, with interest thereon at an annual rate equal to the highest rate of interest of any of the Secured Obligations secured by this Mortgage, and shall be secured by this Mortgage.

- (f) Mortgagee shall have the right and option to commence a civil action to foreclose the lien of this Mortgage and to obtain an order or judgment of foreclosure and sale subject to the rights of any tenant or tenants of the Property. The failure to join any tenant or tenants of the Property as party defendants or defendants in any such civil action or the failure of any such order or judgment to foreclose their rights shall not be asserted by Mortgagor as a defense in any civil action instituted to collect the Secured Obligations secured hereby, or any part thereof, or any deficiency remaining unpaid after foreclosure and sale of the Property, any statute or rule of law at any time existing to the contrary notwithstanding.
- (g) Upon any foreclosure sale, Mortgagee may bid for and purchase the Property and shall be entitled to apply all or any part of the Indebtedness as a credit to the purchase price.

5.4 Application of Sale Proceeds and Rents.

- (a) Mortgagee shall apply the proceeds of any sale of the Property in the following manner: first, to pay the portion of the Secured Obligations attributable to the costs, fees and expenses of the sale, including costs of evidence of title in connection with the sale; and, second, to pay all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose. The remainder, if any, shall be remitted to the person or persons entitled thereto.
- (b) Mortgagee shall apply any and all Rents collected by it, and any and all sums other than proceeds of any sale of the Property which Mortgagee may receive or collect under Paragraph 5.3, in the following manner: first, to pay the portion of the Secured Obligations attributable to the costs and expenses of operation and collection that may be incurred by Mortgagee or any receiver; and, second, to pay all other Secured Obligations in any order and proportions as Mortgagee in its sole discretion may choose. The remainder, if any, shall be remitted to the person or persons entitled thereto. Mortgagee shall have no liability for any funds which it does not actually receive.

6. MISCELLANEOUS PROVISIONS

6.1 No Waiver or Cure.

- (a) Each waiver by Mortgagee must be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Mortgagee or Trustee to take action on account of

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any default of Mortgagor. Consent by Mortgagee to any act or omission by Mortgagor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Mortgagee's consent to be obtained in any future or other instance.

- (b) If any of the events described below occurs, that event alone shall not cure or waive any breach, Event of Default or notice of default under this Mortgage or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed); or impair the security of this Mortgage; or prejudice Mortgagee or any receiver in the exercise of any right or remedy afforded any of them under this Mortgage; or be construed as an affirmation by Mortgagee of any tenancy, lease or option, or a subordination of the lien of this Mortgage:
- (i) Mortgagee, its agent or a receiver takes possession of all or any part of the Property;
 - (ii) Mortgagee collects and applies Rents, either with or without taking possession of all or any part of the Property;
 - (iii) Mortgagee receives and applies to any Secured Obligation proceeds of any Property, including any proceeds of insurance policies, condemnation awards, or other claims, property or rights assigned to Mortgagee under this Mortgage;
 - (iv) Mortgagee makes a site visit, observes the Property and/or conducts tests thereon;
 - (v) Mortgagee receives any sums under this Mortgage or any proceeds of any collateral held for any of the Secured Obligations, and applies them to one or more Secured Obligations;
 - (vi) Mortgagee or any receiver performs any act which it is empowered or authorized to perform under this Mortgage or invokes any right or remedy provided under this Mortgage.

6.2 Powers of Mortgagee.

- (a) Mortgagee may take any of the actions permitted under Paragraphs 5.3(b) and/or 5.3(c) regardless of the adequacy of the security for the Secured Obligations, or whether any or all of the Secured Obligations have been declared to be immediately due and payable, or whether notice of default and election to sell has been given under this Mortgage.
- (b) From time to time, Mortgagee may apply to of competent jurisdiction for aid and direction in enforcing the rights and remedies created under this Mortgage. Mortgagee or Trustee may from time to time obtain orders or decrees directing, confirming or approving acts in executing this trust and enforcing these rights and remedies.

6.3 Nonborrower Mortgagor.

- (a) If any Mortgagor ("Nonborrower Mortgagor") is not the Obligor under the Debt Instrument described in Paragraph 2.1(a), such Nonborrower Mortgagor authorizes Mortgagee to perform any of the following acts at any time, all without notice to Nonborrower Mortgagor and without affecting Mortgagee's rights or Nonborrower Mortgagor's obligations under this Mortgage:
- (i) Mortgagee may alter any terms of the Debt Instrument or any part of it, including renewing, compromising, extending or accelerating, or otherwise changing the time for payment of, or increasing or decreasing the rate of interest on, the Debt Instrument or any part of it;
 - (ii) Mortgagee may take and hold security for the Debt Instrument, accept additional or substituted security for the Debt Instrument, and subordinate, exchange, enforce, waive, release, compromise, fail to perfect, sell or otherwise dispose of any such security;
 - (iii) Mortgagee may apply any security now or later held for the Debt Instrument in any order that Mortgagee in its sole discretion may choose, and may direct the order and manner of any sale of all or any part of it and bid at any such sale;
 - (iv) Mortgagee may release Obligor of its liability for the Debt Instrument or any part of it; and
 - (v) Mortgagee may substitute, add or release any one or more guarantors or endorsers of the Debt Instrument.
- (b) Nonborrower Mortgagor waives:

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- (i) Any right it may have to require Mortgagee to proceed against Obligor, proceed against or exhaust any security held from Obligor, or pursue any other remedy in Mortgagee's power to pursue;
 - (ii) Any defense based on any legal disability of Obligor, any discharge or limitation of the liability of Obligor to Mortgagee, whether consensual or arising by operation of law or any bankruptcy, reorganization, receivership, insolvency, or debtor-relief proceeding, or from any other cause, or any claim that Nonborrower Mortgagor's obligations exceed or are more burdensome than those of Obligor;
 - (iii) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, notices of acceptance of this Mortgage and of the existence, creation, or incurring of new or additional indebtedness of Obligor, and demands and notices of every kind;
 - (iv) Any defense based on or arising out of any defense that Obligor may have to the payment or performance of the Debt Instrument or any part of it; and
 - (v) All rights of subrogation, reimbursement, indemnification and contribution (contractual, statutory or otherwise), including any claim or right of subrogation under the Bankruptcy Code (Title 11 of the U.S. Code) or any successor statute, all rights to enforce any remedy that the Mortgagee may have against Obligor, and all rights to participate in any security now or later to be held by Mortgagee for the Debt Instrument.
- (c) Nonborrower Mortgagor assumes full responsibility for keeping informed of Obligor's financial condition and business operations and all other circumstances affecting Obligor's ability to pay and perform its obligations to Mortgagee, and agrees that Mortgagee shall have no duty to disclose to Nonborrower Mortgagor any information which Mortgagee may receive about Obligor's financial condition, business operations, or any other circumstances bearing on its ability to perform.
- (d) For purposes of this Paragraph 6.3, all references to the Debt Instrument shall also include any instrument or agreement executed by Obligor subsequent to the date of this Mortgage which is secured by this Mortgage in accordance with the provisions of Paragraph 2.1(c).
- 6.4 Merger.** No merger shall occur as a result of Mortgagee's acquiring any other estate in or any other lien on the Property unless Mortgagee consents to a merger in writing.
- 6.5 Joint and Several Liability.** If Mortgagor consists of more than one person, each shall be jointly and severally liable for the faithful performance of all of Mortgagor's obligations under this Mortgage.
- 6.6 Applicable Law.** This Mortgage shall be governed by Illinois law.
- 6.7 Successors in Interest.** The terms, covenants and conditions of this Mortgage shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties. However, this Paragraph does not waive the provisions of Paragraph 5.1.
- 6.8 Interpretation.** Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Mortgage are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." The word "obligations" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed and contingent obligations. It further includes all principal, interest, prepayment charges, late charges, loan fees and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions. No listing of specific instances, items or matters in any way limits the scope or generality of any language of this Mortgage. The Exhibits to this Mortgage are hereby incorporated in this Mortgage.

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6.9 **In-House Counsel Fees.** Whenever Mortgagor is obligated to pay or reimburse Mortgagee for any attorneys' fees, those fees shall include the allocated costs for services of in-house counsel.

6.10 **Waivers.** Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension homestead or exemption laws or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the lien of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all rights to have the property and estates comprising the Property marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Mortgagor does hereby expressly waive, to the full extent permitted by law, any and all rights of reinstatement and any and all rights of redemption from sale under any order or judgment of foreclosure of the lien of this Mortgage on behalf of Mortgagor, the trust estate and all persons beneficially interested therein and each and every person acquiring any interest in or title to the Property subsequent to the date of this Mortgage. If Mortgagor is a trustee, Mortgagor represents that it is duly authorized and empowered by the trust instruments and by all persons having the power of direction over it as such trustee to execute this Mortgage, including, the foregoing agreements, waivers and releases. Each successor and assign of Mortgagor, including any holder of a lien subordinate to this Mortgage, by acceptance of its interest or lien agrees that it shall be bound by the above waivers, as if it had given the waivers itself.

6.11 **Severability.** If any provision of this Mortgage should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and in no way affect the validity of this Mortgage except that if such provision relates to the payment of any monetary sum, then Mortgagee may, at its option, declare all Secured Obligations immediately due and payable.

6.12 **Notices.** Mortgagor hereby requests that a copy of notice of default and notice of sale be mailed to it at the address set forth below. That address is also the mailing address of Mortgagor as debtor under the Illinois Uniform Code. Mortgagee's address given below is the address for Mortgagee as secured party under the Illinois Uniform Commercial Code.

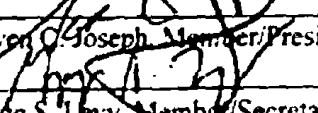
Address where Notices to Mortgagor(s) are to be Sent:
4431 West 130th Street
Cleveland, Ohio 44135

Address where Notices to Mortgagee is to be Sent:
SBA Lending Group #51002
P. O. Box 98624
Las Vegas, Nevada 89123-8624

Mortgagor:

South Chicago Property Management Company,
Ltd., an Ohio limited liability company

By: 
Steven C. Joseph, Member/President

By: 
Gregg S. Levy, Member/Secretary

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NOTARIAL ACKNOWLEDGMENT

State of Illinois)
) ss.
 County of)

I, JANET JOHNSON WEST, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Steven C. Joseph, Member/President, on behalf of South Chicago Property Management Company, Ltd., an Ohio limited liability company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, appeared before me this day in person and acknowledged to me that he/she/they executed the same as his/her/their own free and voluntary act in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument, for the uses and purposes set forth therein.

GIVEN under my hand and Notarial Seal this 27 day of APRIL, 1998.



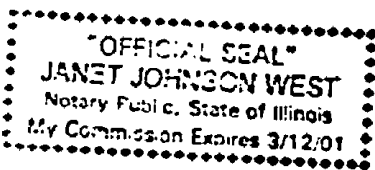
[Signature]
 Notary Public
 My Commission Expires: _____

NOTARIAL ACKNOWLEDGMENT

State of Illinois)
) ss.
 County of)

I, _____, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Gregg S. Levy, Member/Secretary, on behalf of South Chicago Property Management, Ltd., an Ohio limited liability company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument, appeared before me this day in person and acknowledged to me that he/she/they executed the same as his/her/their own free and voluntary act in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument, for the uses and purposes set forth therein.

GIVEN under my hand and Notarial Seal this 27 day of APRIL, 1998.



[Signature]
 Notary Public
 My Commission Expires: _____

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South Chicago Property Management Company, Ltd., an Ohio limited liability company
Mortgage, Assignment of Rents and Fixture Filing dated April 23, 1998

EXHIBIT "A"

Legal Description

THAT PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 AND THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 19, TOWNSHIP 37 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EASTERLY CHANNEL LINE OF THE CALUMET RIVER, AS ESTABLISHED BY SURVEY OF THE UNITED STATES ENGINEER'S OFFICE WAR DEPARTMENT (AS SHOWN ON SHEET NO. 6 DATED MARCH 1939 AND SHEET NO. 7 DATED MARCH 1938) TITLED "CONTROL SURVEY CALUMET RIVER", BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 19; THENCE SOUTH 89 DEGREES 38 MINUTES 23 SECONDS WEST ALONG THE NORTH LINE OF SAID SECTION 19 (BASIS OF BEARINGS) 1508.48 FEET; THENCE SOUTH 00 DEGREES 43 MINUTES 42 SECONDS EAST 244.82 FEET ALONG SAID LINE 40 FEET WESTERLY FROM, MEASURED AT RIGHT ANGLES, AND PARALLEL WITH THE WEST RIGHT-OF-WAY LINE OF CONRAIL (FORMERLY THE SOUTH CHICAGO AND SOUTHERN RAILROAD) TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 00 DEGREES 43 MINUTES 42 SECONDS EAST 1018.29 FEET ALONG SAID LINE 40 FEET WESTERLY FROM, MEASURED AT RIGHT ANGLES, AND PARALLEL WITH THE PREVIOUSLY MENTIONED WEST RIGHT-OF-WAY LINE OF CONRAIL; THENCE SOUTH 89 DEGREES 38 MINUTES 23 SECONDS WEST 287.71 FEET ALONG THE NORTHERLY LINE OF REPUBLIC ENGINEERED STEELS, INC.; THENCE SOUTH 59 DEGREES 48 MINUTES 04 SECONDS WEST 1584.28 FEET ALONG THE NORTHWESTERLY LINE OF REPUBLIC ENGINEERED STEELS, INC.; THENCE NORTH 07 DEGREES 51 MINUTES 15 SECONDS WEST 641.95 FEET ALONG THE EASTERLY CHANNEL LINE OF THE CALUMET RIVER; THENCE NORTH 21 DEGREE 06 MINUTES 47 SECONDS EAST 569.35 FEET ALONG SAID EASTERLY CHANNEL LINE; THENCE NORTH 58 DEGREES 41 MINUTES 01 SECOND EAST 740.33 FEET; THENCE SOUTH 13 DEGREES 37 MINUTES 22 SECONDS WEST 124.01 FEET; THENCE NORTH 61 DEGREES 50 MINUTES 14 SECONDS EAST 613.80 FEET; THENCE SOUTH 77 DEGREES 54 SECONDS 07 MINUTES EAST 165.39 FEET; THENCE SOUTH 24 DEGREES 08 MINUTES 50 SECONDS EAST 297.67 FEET; THENCE NORTH 61 DEGREES 55 MINUTES 50 SECONDS EAST 126.13 FEET TO THE POINT OF BEGINNING, CONTAINING 48.778 ACRES, MORE OR LESS, ALL IN COOK COUNTY, ILLINOIS.

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26-19-201-018

26-19-102-007

Portion of 26-19-102-019

Portion of 26-19-200-020

Portion of 26-19-200-022

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