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MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FINANCING STATEMENT

BY

BACRAFT CORPORATION OF AMERICA

Mortgagor

TO

GENERAL ELECTRIC CAPITAL CORPORATION,

As Agent and Mortgagee

Relating to Premises in:

Chicago, Illinois

This Document was prepared by
and after recording should be returned to:

Howard Goldman, Esq.
Winston & Strawn
35 West Wacker Drive
Chicago, Illinois 60601

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BOX 333

Property of Cook County Clerk's Office

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MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT ("Mortgage"), is dated as of December 17, 1993, and made by BAGCRAFT CORPORATION OF AMERICA ("Mortgagor"), a Delaware corporation having its principal place of business and chief executive office at 3900 West 43rd Street, Chicago, Illinois 60632 as Mortgagor, to GENERAL ELECTRIC CAPITAL CORPORATION ("Mortgagee"), as Mortgagee, a New York corporation having its principal offices at 190 South LaSalle Street, Suite 1200, Chicago, Illinois 60603, for itself and as agent for each of the financial institutions (collectively "Lenders," each a "Lender") identified as Lenders in that certain "Credit Agreement" hereinbelow described.

R E C I T A L S :

1. Mortgagor is the owner (i) in fee simple absolute of the real property described in Schedule A hereto, (ii) of the landlord's interests in the Leases (as hereinafter defined) and (iii) of the Improvements and Personal Property (each as hereinafter defined).

2. Mortgagor and Mortgagee, individually and as agent for the Lenders, have entered into a certain Credit Agreement dated as of December 17, 1993 (as the same may be amended and in effect from time to time, the "Credit Agreement") by and among Mortgagee and Mortgagor pursuant to which the Lenders have agreed to make loans (collectively, "Loans"; each, a "Loan") to Mortgagor in aggregate principal amounts not to exceed at any time Thirty-Eight Million Dollars (\$38,000,000), upon the terms and subject to the conditions set forth in the Credit Agreement.

3. The Loans are in the form of: (i) two (2) term loans: Term Loan A ("Term Loan A") in the aggregate principal amount of Twelve Million Dollars (\$12,000,000); and Term Loan B ("Term Loan B") in the aggregate principal amount of Eight Million Dollars (\$8,000,000), (Term Loan A and Term Loan B are collectively known herein as the "Term Loan") evidenced by a note or notes entitled "Term Loan A Note" and "Term Loan B Note" each dated of even date herewith, which are hereinafter collectively called the "Term Note"; and (ii) a revolving credit loan (the "Revolving Credit Loan") under which advances, payments and readvances may be made from time to time evidenced by a note or notes entitled "Revolving Credit Note" of even date herewith, which is hereinafter called a "Revolving Note"; and (iii) letters of credit having an undrawn face amount not to exceed at any one time One Million Dollars (\$1,000,000) (the "Letters of Credit"). The aggregate amount of the Revolving Credit Loan and the Letters of Credit shall not exceed at any one time Eighteen Million Dollars (\$18,000,000). The Term Note and the Revolving Note are hereinafter collectively

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called "Notes." Each of the Notes bears interest at an adjustable rate as therein provided or as provided in the Credit Agreement. Advances of Loan proceeds made from time to time shall constitute obligatory advances, upon the terms and subject to the conditions set forth in the Credit Agreement.

4. This Mortgage is being given by Mortgagor to secure (i) payment by Mortgagor of all principal, interest and other sums due or to become due in respect of the Loans, including but not limited to future advances as hereafter provided in Paragraph 5 below (collectively, as owing from time to time, the "Indebtedness"); (ii) the payment of any further or subsequent advances made to preserve the lien of this Mortgage; and (iii) the payment and performance of all of the terms, covenants, conditions, agreements and liabilities contained in this Mortgage and the Loan Documents (as hereinafter defined in Section 3.1). All of the foregoing payment and performance obligations in clauses (i), (ii) and (iii) of the preceding sentence are hereinafter collectively called the "Obligations."

5. This Mortgage also secures the payment of and includes all future or further advances as shall be made at all times, regardless of whether proceeds of the Loans have been disbursed by the Mortgagee herein or its successors or assigns, to and for the benefit of the Mortgagor, its successors or assigns, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of Indebtedness secured by this Mortgage may decrease or increase from time to time but the total unpaid principal balance of the Indebtedness so secured at any one time shall not exceed \$100,000,000, together with interest thereon, plus any and all disbursements made or incurred by Mortgagee (i) for the payment of taxes or insurance on the Mortgaged Property (as hereinafter defined), (ii) to protect and/or preserve and/or restore the Mortgaged Property and the lien hereof and to keep the Premises (as hereinafter defined) and Improvements operational and usable for their intended purposes, and (iii) for reasonable attorneys' fees, loan commissions, service charges, liquidated damages, expenses and court costs incurred in the applications and/or collection of any or all of such sums of money and all other Obligations secured by this Mortgage. The foregoing limitations shall not in any manner limit, affect or impair any grant of a security interest, lien, or other right in favor of the Mortgagee under the provisions of any of the Loan Documents. Such further or future advances shall be considered obligatory advances and the same shall bear interest at the same rate as specified in the Credit Agreement unless such interest rate shall be modified by subsequent agreement.

6. The provisions of the Credit Agreement are incorporated by reference herein as though set forth in full detail. Unless expressly otherwise provided herein, in the event of any conflict between the terms and provisions of this Mortgage

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and the Credit Agreement, the terms and provisions of the Credit Agreement shall govern and control. Terms used but not separately defined herein shall have the meanings ascribed to them in the Credit Agreement.

CONVEYANCE:

Mortgagor, to secure the payment and performance of the Obligations to Mortgagee and the performance of the covenants and agreements herein contained and in consideration of the further sum of One Dollar (\$1.00) unto Mortgagor in hand well and truly paid by Mortgagee at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, and intending to be legally and firmly bound hereby, grants, bargains, sells, assigns, aliens, releases, transfers, remises, conveys and mortgages unto Mortgagee and its successors and assigns forever, and hereby represents and warrants to Mortgagee and grants to Mortgagee and its successors and assigns forever a continuing security interest in and to all of the following rights, titles, interests, claims and property (collectively, "Mortgaged Property"), whether now owned or held or hereafter acquired:

A. The fee simple estate in the land described in Schedule A, together with any and all easements, rights-of-way, sidewalks, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, servitudes, licenses, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining thereto, or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, and all reversion and reversions, remainder and remainders, income, rents, issues, revenues and profits thereof (collectively, "Land");

B. The buildings, structures and other improvements and any and all alterations or additions thereto now or hereafter located or erected on the Land, including, without limitation, personal property, attachments, walkways, parking facilities and light stanchions (collectively, "Improvements" and individually "Improvement") (Improvements together with the Land, collectively, the "Premises");

C. To the extent assignable, any and all permits, certificates, approvals and authorizations however characterized, issued or in any way furnished, whether necessary or not for the operation and use of the Premises or the operation of Mortgagor's business, including, without limitation, building permits, certificates of occupancy, environmental certificates, certificates of operation, warranties and guarantees;

D. All machinery, apparatus, equipment, fittings, fixtures, improvements and articles of personal property of every

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kind and nature whatsoever now or hereafter attached or affixed to the Improvements or the Land or used primarily, from time to time, in connection with the use and enjoyment of the Premises or the maintenance or preservation thereof (collectively, the "Personal Property");

E. The Mortgagor's estate, right, title and interest as lessor or landlord in all leases of space, licenses, occupancy or concession agreements (collectively, "Leases"; each, a "Lease") now existing or hereafter entered into relating to the Land or the Improvements and any and all amendments, modifications, supplements and renewals of Leases, whether now in effect or hereafter coming into effect, including, without limitation, all rents, additional rents, cash or securities deposited thereunder to secure performance of the lessee's obligations thereunder, revenues, earnings, profits and income, advance rental payments, payments incident to assignment, sublease or surrender of a Lease, claims for forfeited deposits and claims for damages, now due or hereafter to become due, with respect to any Lease; and

F. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims including, without limitation, proceeds of insurance and condemnation awards with respect thereto, including interest thereon and any and all awards or payments and interest thereon.

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee and its successors and assigns forever, provided, however, that if Mortgagor shall cause to be paid in full all amounts secured by this Mortgage, Mortgagee shall release the Mortgaged Property from the Lien (as hereinafter defined) of this Mortgage.

C O V E N A N T S:

Mortgagor hereby covenants and agrees as follows:

ARTICLE I

WARRANTIES, REPRESENTATIONS AND COVENANTS OF MORTGAGOR

SECTION 1.1 Payment of Loans. Mortgagor shall duly and punctually pay or cause to be paid in the manner specified in the Notes and Credit Agreement, the principal, interest, and all other sums due or to become due or required to be paid under or in respect of the Loans and the Credit Agreement.

SECTION 1.2 Good Title and Hazardous Materials.

1.2.1 Mortgagor represents, warrants and covenants that: (i) on and as of the date hereof, it has good and marketable

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title to an indefeasible fee simple estate in the Premises and good title in and to the Mortgaged Property, subject to no mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof, any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar statute other than to reflect ownership by a third party of property leased under a lease not in the nature of a conditional sale or title retention agreement, or any subordination arrangement in favor of any party other than Mortgagor (collectively, "Liens"; each, a "Lien"), except for Permitted Encumbrances as defined in the Credit Agreement existing as of the date hereof (collectively, "Prior Liens"); (ii) it will keep in effect all rights of way and appurtenant easements to or that constitute a part of the Premises; and (iii) this Mortgage creates and constitutes a valid and enforceable first mortgage lien on and first security interest in the Mortgaged Property, subject only to Prior Liens (but not to extensions, amendments, supplements or replacements of Prior Liens unless consented to by Mortgagee), and Mortgagor does now and will forever warrant and defend to Mortgagee and the respective successors and assigns of Mortgagee such title and the validity and priority of the Lien hereby created and evidenced against the claims of all persons and parties whomsoever.

1.2.2 Mortgagor represents, warrants and covenants that neither the Mortgagor nor, to the best knowledge of the Mortgagor, any other person has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Improvements or the Land or any part thereof or into the atmosphere or any watercourse, body of water or wetlands, or any other real property legally or beneficially owned (or any interest or estate in which is owned) by the Mortgagor, and neither the Improvements, the Land, any part of either thereof, nor any other real property legally or beneficially owned (or any interest or estate in which is owned) by the Mortgagor has ever been used (whether by the Mortgagor or, to the best knowledge of the Mortgagor, by any other person) as a treatment, storage or disposal (whether permanent or temporary) site for any Hazardous Material. Mortgagor hereby indemnifies the Mortgagee and agrees to hold the Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses and claims of any and every kind whatsoever (including, without limitation, court costs and attorneys' fees) which at any time or from time to time may be paid, incurred or suffered by, or asserted against, the Mortgagee for, with respect to, or as a direct or indirect result of, the presence on or under, or the escape, seepage, leakage, spillage, discharge, emission or release from the Improvements or into or upon any land, the atmosphere, or any watercourse, body of water or wetland, of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Comprehensive

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Environmental Response, Compensation and Liability Act, any so-called "Superfund" or "Superlien" law, or any other Federal, state, local or other statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Material); and the provisions of and undertakings and indemnification set out in this sentence shall survive the satisfaction and release of this Mortgage and the payment and satisfaction of the Obligations, and shall continue to be the personal liability, obligation and indemnification of the Mortgagor, binding upon the Mortgagor, forever. The provisions of the preceding sentence shall govern and control over any inconsistent provision of this Mortgage or any other of the Loan Documents. For purposes of this Mortgage, "Hazardous Material" means and includes any hazardous substance or any pollutant or contaminant defined as such in (or for purposes of) the Comprehensive Environmental Response, Compensation, and Liability Act, any so-called "Superfund" or "Superlien" law, the Toxic Substances Control Act, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic or dangerous waste, substance or material, as now or at any time hereafter in effect, or any other hazardous, toxic or dangerous, waste, substance or material.

SECTION 1.3 Further Documentation to Assure Lien; Fees and Expenses.

1.3.1 Mortgagor shall, at the sole cost and expense of Mortgagor, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as Mortgagee shall from time to time require, which are necessary in the judgment of Mortgagee from time to time to assure, perfect, convey, assign, transfer and confirm unto Mortgagee the property and rights hereby conveyed or assigned, or which Mortgagor may be or may hereafter become bound to convey or assign to Mortgagee or facilitating the performance of the terms of this Mortgage, or for filing, registering or recording this Mortgage.

1.3.2 Mortgagor shall pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage and any mortgage supplemental hereto, any security instrument with respect to the Personal Property, any Uniform Commercial Code financing statements and continuation statements, and any instrument of further assurance required by Mortgagee to be filed, registered or recorded pursuant to this Mortgage.

SECTION 1.4 Payment of Taxes, Insurance Premiums, Assessments; Compliance with Law and Insurance Requirements.

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1.4.1 Mortgagor shall pay and discharge, from time to time when the same shall become due, all real estate and other taxes, special assessments, levies, permits, inspection and license fees, all premiums for insurance, all water and sewer rents and charges, and all other public charges imposed upon or assessed against the Mortgaged Property or any part thereof or upon the revenues, rents, issues, income and profits of the Mortgaged Property, including, without limitation, those arising in respect of the occupancy, use or possession thereof.

1.4.2 At the option of Mortgagee, to be exercised by notice to Mortgagor, Mortgagor shall deposit with Mortgagee, on the first day of each month, an amount estimated by Mortgagee to be equal to one-twelfth (1/12th) of the annual taxes, assessments and other items required to be discharged by Mortgagor under Section 1.4.1. Such amounts shall be held by Mortgagee without interest to Mortgagor and applied to the payment of the obligations in respect of which such amounts were deposited, in such order or priority as Mortgagee shall determine, on or before the respective dates on which the same or any thereof would become delinquent. Nothing contained in this Section 1.4 shall affect any right or remedy of Mortgagee under any provision of this Mortgage or of any statute or rule of law to pay any such amount and to add the amount so paid, together with interest at the Default Rate (as such term is defined in the Credit Agreement) to the other amounts outstanding in respect of any Loans or relieve Mortgagor of its obligations to make or provide for the payment of the annual taxes, assessments and other charges required to be discharged by Mortgagor under Section 1.4.1.

1.4.3 Mortgagor shall timely pay all lawful claims and demands of mechanics, materialmen, laborers, government agencies administering worker's compensation insurance, old age pensions, and social security benefits and all other claims, judgments, demands or amounts of any nature which, if unpaid, might result in, or permit the creation of, a Lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom.

1.4.4 Mortgagor has obtained and shall take all action necessary to maintain in force and effect all permits, consents, approvals, licenses, franchises or other instruments including those required by the Credit Agreement (collectively, "Permits") required by any federal, state, municipal or local government or quasi-governmental agency or authority to operate or use and occupy the Premises. Mortgagor shall comply promptly with all requirements set forth in any of the Permits and all requirements of any law, ordinance, rule, regulation or requirement of any federal, state, municipal or local government or quasi-governmental agency or authority applicable to all or any part of the Mortgaged Property or the condition, use or occupancy of all or any part thereof or any restriction imposed upon the Mortgaged

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4

Property by any duly recorded deed of restriction, declaration, covenant running with the land or otherwise, now or hereafter in force.

1.4.5 Mortgagor shall not in its use and occupancy of the Premises (including, without limitation, in the making of any "Alterations" (as hereinafter defined)) take any action that would be the basis for termination, revocation or denial of any insurance coverage required to be maintained under this Mortgage or that would be the basis for a successful defense to any claim under any insurance policy maintained in respect of the Premises.

1.4.6 Mortgagor shall, immediately upon receipt of any written notice regarding any failure by Mortgagor to pay or discharge any of the obligations described in Section 1.4.1, 1.4.3, 1.4.4 or 1.4.5, furnish a copy of such notice to Mortgagee.

SECTION 1.5 Payment of Certain Taxes. If the United States, the state in which the Land is located or any political subdivision thereof shall levy, assess or charge any tax, imposition or assessment upon this Mortgage, the Credit Agreement or any other document relating to the Loans or the interest of Mortgagee in the Mortgaged Property, other than income taxes levied or assessed upon Mortgagee, Mortgagor shall pay all such taxes, assessments and impositions to, for, or on account of Mortgagee, when due and payable and shall furnish to Mortgagee, proof of such payment satisfactory to Mortgagee.

SECTION 1.6 Required Insurance Policies.

1.6.1 Mortgagor shall keep and maintain insurance coverages in respect of the Improvements and Personal Property as provided in the Credit Agreement.

1.6.2 All insurance policies required by this Section 1.6 shall be in form and issued by companies satisfactory to Mortgagee and shall comply with all provisions of the Credit Agreement. All insurance policies in respect of the coverages required by Section 1.6 shall contain an endorsement naming Mortgagee as loss payee and additional insured, shall be in amounts at least sufficient to prevent coinsurance, and all losses thereunder shall be payable to Mortgagee, as sole loss payee. Each policy of insurance required under this Section 1.6 shall provide that it may not be cancelled or otherwise terminated without at least thirty (30) days' prior written notice to Mortgagee and shall permit Mortgagee to pay any premium therefor within ten (10) days after receipt of any notice stating that such premium has not been paid when due. The policy or policies of such insurance or certificates of insurance evidencing the required coverages shall be delivered to Mortgagee. Settlement of any claim under any of the insurance policies referred to in this Section 1.6 shall require Mortgagee's prior written approval.

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1.6.3 Mortgagor shall not purchase separate insurance policies concurrent in form or contributing in the event of loss with those policies required to be maintained under this Section 1.5, unless Mortgagee is included thereon as a named insured and, if applicable, with loss payable to Mortgagee, as sole loss payee, under a standard mortgagee endorsement of the character described in Section 1.6.2 hereof and the policy evidencing such insurance otherwise complies with the requirements of Section 1.6.2. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance policy is obtained and shall promptly deliver to Mortgagee the policy or certificate evidencing such insurance.

1.6.4 Mortgagor shall, immediately upon receipt of any written notice of any failure by Mortgagor to pay any insurance premium in respect of any insurance required to be maintained under this Section 1.6, furnish a copy of such notice to Mortgagee.

SECTION 1.7 Failure to Make Certain Payments. If Mortgagor shall fail to perform any of the covenants contained in this Mortgage or any Loan Documents, Mortgagee may make advances to perform the same on Mortgagor's behalf, and all sums so advanced shall be included in the Obligations and be secured hereby. Mortgagor shall repay on demand all sums so advanced by Mortgagee on behalf of Mortgagor, with interest at the Default Rate. The provisions of this Section 1.7 or any action taken by Mortgagee pursuant to the provisions of this Section 1.7 shall not prevent any such failure to observe any covenant contained in this Mortgage from constituting an Event of Default.

SECTION 1.8 Inspection. Mortgagor shall permit Mortgagee, by its agents, accountants and attorneys, to visit and inspect the Premises at such times as may be requested by Mortgagee.

SECTION 1.9 Mortgagor to Maintain Improvements. Mortgagor shall not commit any waste on the Premises or make any change in the use of the Improvements or Personal Property or use any of the Land for purposes not related to the current use of the Premises without Mortgagee's prior written consent. Mortgagor shall, at all times, maintain the Premises in good operating order, condition and repair. Except as otherwise provided in Section 1.14, the Premises shall not be demolished or altered, nor shall any Personal Property be removed without the prior written consent of Mortgagee, except to the extent permitted in the Credit Agreement.

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SECTION 1.10 Mortgagor's Obligations With Respect to Leases.

1.10.1 Mortgagor shall not without the Mortgagee's prior written consent (i) execute any assignment of any Lease or of the rents or any part thereof from the Premises other than the assignment herein to Mortgagee, (ii) terminate or consent to the cancellation or surrender of such Lease, (iii) modify any Lease, (iv) accept any prepayments of any installment of rents to become due under any Lease for a period exceeding one month, (v) permit the deferral of or waive or postpone the payment of any rental payment under any Lease, or (vi) permit any transfer or assignment of any Lease or the sublease of the property subject to any Lease without the written consent of Mortgagee.

1.10.2 Mortgagor shall at all times timely and faithfully perform, or cause to be performed, all of the covenants, conditions and agreements contained in all Leases to be kept and performed by the lessor thereunder and shall at all times do all things necessary to compel performance by the lessee under each Lease of all obligations, covenants and agreements by such lessee to be performed thereunder.

1.10.3 Mortgagor shall furnish to Mortgagee, within thirty (30) days after each request by Mortgagee to do so, a written statement in respect of any or all of the Leases setting forth the space occupied, the rentals payable thereunder, and such other information as the requesting party may reasonably request.

SECTION 1.11 Transfer Restrictions.

1.11.1 Mortgagor may not, without Mortgagee's prior written consent, further mortgage, encumber, hypothecate, sell, convey or assign all or any part of the Mortgaged Property or Mortgagor's interest in the Mortgaged Property or lease or sublease the Mortgaged Property or any part thereof or suffer any of the foregoing to occur.

Mortgagor shall not create, suffer, or permit to be created or filed against the Mortgaged Property any mortgage lien or other lien superior or inferior to the lien created by this Mortgage. In the event Mortgagor suffers or permits any lien to be attached to the Mortgaged Property, Mortgagee shall have the unqualified right, at its option, to accelerate the maturity of the Obligations, causing the entire principal balance and all interest accrued to be immediately due and payable, without notice to Mortgagor.

In the event of a transfer of control of Mortgagor, whether by operation of law, voluntarily, or otherwise or a contract to do any of the foregoing, Mortgagee shall have the unqualified right, at its option, to accelerate the maturity of the

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Obligations, causing the entire principal balance, accrued interest, and prepayment premium, if any, to be immediately due and payable, without notice to Mortgagor. Without limiting the generality of the foregoing, each of the following events shall be deemed a prohibited transfer hereunder:

(i) if Mortgagor is a corporation, any sale, conveyance, assignment, or other transfer of all or a portion of the stock of Mortgagor, that results in a material change in the identity of the person(s) or entities previously in control of Mortgagor corporation;

(ii) if Mortgagor consists of a partnership or joint venture, any sale, conveyance, assignment, or other transfer of all or a portion of the partnership interest of a partner of such partnership, or joint venture interest of a joint venturer in the joint venture, that results in a material change in the identity of the person(s) in control of such partnership or joint venture;

(iii) a sale, conveyance, assignment, or other transfer of all or any portion of the stock or partnership interest of any entity directly or indirectly in control of any corporation or partnership consisting or included within Mortgagor that results in a material change in the identity of the person(s) in control of such entity; and

(iv) any hypothecation of all or any portion of the stock thereof, if Mortgagor is or includes a corporation, or of all or any portion of the partnership interest of any general partner thereof, if Mortgagor is or includes a partnership, or of all or any portion of the stock or partnership interest of any entity directly or indirectly in control of such corporation or partnership, that could result in a material change in the identity of the person(s) in control of such corporation, partnership, or entity directly or indirectly in control of such corporation or partnership if the secured party under such hypothecation exercised its remedies.

SECTION 1.12 Destruction; Condemnation.

1.12.1 Destruction; Insurance Proceeds. In case of any damage to, or loss or destruction of, the Improvements and Personal Property or any part thereof (each, a "Destruction"), Mortgagor shall promptly send to Mortgagee a notice setting forth the nature and extent of such Destruction. The proceeds of any insurance payable in respect of such Destruction are hereby assigned and shall be paid to Mortgagee. Mortgagee is hereby authorized and empowered by Mortgagor to settle, adjust or compromise any claims for such damage or destruction. All such proceeds, less the amount of any expenses incurred in litigating, arbitrating, compromising or settling any claim arising out of such

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Destruction ("Net Proceeds"), shall be applied as set forth in Sections 1.12.3 and 1.12.4 hereof.

1.12.2 Condemnation; Assignment of Award. In the event of any taking of the Mortgaged Property or any part thereof, in or by condemnation or other eminent domain proceedings pursuant to any law, general or special, or by reason of the temporary requisition of the use or occupancy of the Mortgaged Property or any part hereof, by any governmental authority, civil or military (each, a "Taking"), Mortgagor shall immediately notify Mortgagee upon receiving notice of such Taking or commencement of proceedings therefor. Mortgagee is hereby authorized and empowered by Mortgagor to settle, adjust or compromise any claims for the proceeds in respect of any Taking. All proceeds or any award or payment in respect of any Taking are hereby assigned and shall be paid to Mortgagee and Mortgagor shall take all steps necessary to notify the condemning authority of such assignment. Such award or payment, less the amount of any expenses incurred in litigating, arbitrating, compromising or settling any claim arising out of such Taking ("Net Award"), shall be applied as if such award or payment were insurance proceeds in accordance with Sections 1.12.3 and 1.12.4 hereof.

1.12.3 Restoration. Mortgagor shall be required to restore or rebuild ("Restoration") any Personal Property or Improvement that is damaged, taken or destroyed under the terms and provisions hereinafter provided.

All Net Proceeds and Net Awards may be applied by the Mortgagee, at its discretion, to the prepayment of the Obligations. In the event the Net Proceeds or Net Award are used for Restoration, Mortgagee shall not release any part of the Net Award or the Net Proceeds except in accordance with the provisions of Section 1.12.4. Prior to commencing any work to effect Restoration of the Premises, Mortgagor shall promptly (but in no event later than ninety (90) days following any Destruction or Taking) furnish to Mortgagee:

(i) complete plans and specifications ("Plans and Specifications") for the Restoration;

(ii) a certificate ("Architect's Certificate") of an independent, reputable architect or engineer licensed in the state where the Premises are located stating (a) that the Plans and Specifications have been reviewed and approved by the signatory thereof, (b) such signatory's estimate ("Estimate") of the costs of completing the Restoration, (c) a description of all permits and approvals required by law in connection with the Restoration, and (d) a confirmation that all such permits and approvals required by law to commence work in connection with the Restoration have been obtained; and

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(iii) if the Estimate exceeds the Net Proceeds or the Net Award being made available by Mortgagee for Restoration, as the case may be, a surety bond for or irrevocable letter of credit ("Letter of Credit") or other irrevocable and unconditional commitment to provide funds ("Commitment") for the payment of such Restoration, payable to or in favor of Mortgagee, which bond, Letter of Credit or Commitment (a) shall be signed by a surety or sureties, acceptable to Mortgagee, and, in the case of a Letter of Credit or Commitment, shall be provided by a bank or other financial institution having capital and surplus satisfactory to Mortgagee as shown in its most recent available statement of financial condition, and (b) shall be in the amount not less than the Estimate minus the amount of the Net Proceeds or the Net Award, as the case may be, then held being made available by Mortgagee for application toward the cost of such Restoration.

Mortgagee shall have the right to review and approve the Plans and Specifications. Promptly upon approval of the Plans and Specifications by Mortgagee, Mortgagor shall commence and diligently continue to perform the Restoration in accordance with such approved Plans and Specifications.

1.12.4 Restoration Advances Following Destruction or Taking of Mortgaged Property. In the event the Net Proceeds or Net Award are used for Restoration as provided in Section 1.12.3, Mortgagee shall apply the Net Proceeds or the Net Award held by Mortgagee on account of any Destruction or Taking to the payment of the cost of any Restoration and shall pay portions of the same, from time to time, to Mortgagor or, at Mortgagee's option, exercised from time to time, directly to the contractors, subcontractors, materialmen, laborers, engineers, architects, and other persons rendering services or material for such Restoration, subject to the following conditions:

(i) Mortgagor shall provide Mortgagee with a request setting forth the amount to be paid and to whom payment is to be made five (5) business days prior to the date such payment is to be made and each such request for payment shall be accompanied by an Architect's Certificate stating (a) that all the Restoration work then completed has been done substantially in compliance with the approved Plans and Specifications and in accordance with all provisions of law, (b) the sums requested are required to reimburse Mortgagor for payments by Mortgagor to, or are due to, the contractors, subcontractors, materialmen, laborers, engineers, architects, or other persons rendering services or materials for the Restoration, and that, when added to the sums, if any, previously paid out by Mortgagee, such sums do not exceed the cost of the Restoration to the date of such Architect's Certificate, (c) whether or not the Estimate continues to be accurate, and if not, what the entire cost of such Restoration is then estimated to be, and (d) unless Mortgagee received a surety, Letter of Credit or Commitment as referred to in Section 1.12.3 that the amount of the

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Net Proceeds or Net Award, as the case may be, remaining after giving effect to such payment will be sufficient on completion of the Restoration to pay for the same in full (giving in reasonable detail, an estimate by trade of the remaining costs of completion);

(ii) Each request for payment shall be accompanied by a title commitment with such coverages as Mortgagee may require issued by a title insurer acceptable to Mortgagee, stating that (a) all Liens covering that part of the Restoration previously paid for, if any, have been waived and (b) there has not been filed with respect to all or any part of the Mortgaged Property any Lien, not discharged of record, in respect of any part of the Restoration; and

(iii) The final request for any payment after the Restoration has been completed shall be accompanied by an Opinion of Counsel listing all certificates, permits, licenses, waivers, other documents, or any combination of the foregoing required by law in connection with or as a result of such Restoration and stating that all of the same have been obtained.

In the event there shall be any surplus after application of the Net Award or the Net Proceeds to Restoration of the Premises, such surplus shall belong and be paid to Mortgagee, to be credited against the amounts outstanding in respect of any Loans in accordance with the applicable provisions of the Credit Agreement.

SECTION 1.13 Operating Agreements. Mortgagor shall provide to Mortgagee, from time to time as requested by Mortgagee, certified copies of every management, operating and other similar agreement covering all or substantially all of the Premises. Each such agreement shall be in form and substance acceptable to Mortgagee and shall be subordinate and subject to the Lien of this Mortgage.

SECTION 1.14 Alterations. Mortgagor shall have the right to make any and all additions, modifications or changes (each, an "Alteration") to the Premises in an amount less than or equal to \$25,000 without Mortgagee's prior written consent as may be deemed necessary or desirable by Mortgagor; provided, however, that Mortgagor shall (i) complete all Alterations promptly, in a good and workmanlike manner and in compliance with all applicable local laws, ordinances and requirements, (ii) warrant that said Alterations shall not reduce or impair the value of the Mortgaged Property and (iii) pay when due all claims for labor performed and materials furnished in connection with any Alteration. Mortgagor shall not remove or demolish the Improvements in whole or substantial part, without Mortgagee's prior written consent. Any alteration in excess of \$25,000 shall require Mortgagee's prior written consent and shall be in accordance with such requirements as Mortgagee shall deem necessary including, without limitation,

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delivery to Mortgagee of comparable documentation, security, and procedures as those required under Section 1.12.3 in connection with a Restoration.

SECTION 1.15 Partial Payments of Obligations. If at any time this Mortgage shall secure less than all of the principal amount of the Obligations, it is expressly agreed that any repayments of the principal amount of the Obligations shall not reduce the amount of the encumbrance of this Mortgage until the principal amount of the Obligations outstanding shall equal such encumbrance amount.

SECTION 1.16 Involuntary Impositions. No recovery of any personal judgment against Mortgagor and/or no levy of an execution under any judgment upon the Mortgaged Property or upon any other property of Mortgagor shall affect the encumbrance of this Mortgage or any liens, rights, powers or remedies of Mortgagee hereunder, and such liens, rights, powers and remedies shall continue unimpaired.

SECTION 1.17 Continuance of Lien. Mortgagor agrees that if the outstanding balance of the Obligations is ever repaid to zero, the lien and security title of this Mortgage shall not be deemed released or extinguished by operation of law or implied intent of the parties. This Mortgage shall remain in full force and effect as to any further advances in accordance with the Credit Agreement made after such zero balance, and until the Credit Agreement and all of the other Obligations are paid in full, all agreements to make further advances have been terminated in writing, and this Mortgage has been cancelled of record. Mortgagor waives the operation of any applicable statute, case law or regulation having a contrary effect.

ARTICLE II

ASSIGNMENT OF RENTS; SECURITY AGREEMENT

SECTION 2.1 Assignment of Leases, Rents, Issues and Profits.

2.1.1 Mortgagor hereby irrevocably confirms and grants, transfers and assigns to Mortgagee, all of Mortgagor's right, title and interest, whether now existing or hereafter acquired, in the Leases, including the right, power and authority to collect the rents, issues, income and profits of the Mortgaged Property. The assignment set forth in the foregoing sentence shall be unconditional and irrevocable except as provided to the contrary in Section 2.1.2.

2.1.2 Notwithstanding the provisions of Section 2.1.1, Mortgagor shall have the right, prior to occurrence of any Event of Default, to collect and retain all rents, issues and

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profits relating to the Mortgaged Property as the same become due and payable. Upon the occurrence of any Event of Default, Mortgagee may at any time without notice except as notice is otherwise required in the Credit Agreement, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the Obligations, (i) enter upon and take possession of the Premises or any part thereof, and/or (ii) in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, to all or any part of the Obligations, and in such order as Mortgagee may determine.

2.1.3 Mortgagee's right to collect the rents, issues and profits upon default by Mortgagor pursuant to this Section 2.1 is in no manner conditional upon Mortgagee first taking possession of the Premises. Should Mortgagee enter and take possession of the Premises, and/or collect the rents, issues and profits and apply the same as provided for herein, such act shall not cure or waive any Event of Default or notice thereof hereunder or invalidate any act done pursuant to such notice. Nothing contained herein, nor any collection of rents, issues and profits by Mortgagee or a receiver, shall be construed to make Mortgagee a "mortgagee-in-possession" so long as Mortgagee has not itself entered into actual possession of the Premises.

2.1.4 Nothing herein shall be construed to impose any liability or obligation on Mortgagee under or with respect to any Lease. Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all liabilities, losses and damages (including, without limitation, reasonable attorney's fees and the allocated costs of staff counsel) incurred under any Lease or by reason of the provisions of this Section 2.1.

SECTION 2.2 Security Interest in Personal Property.

2.2.1 This Mortgage shall constitute a security agreement and financing statement for the purposes of the Uniform Commercial Code, as enacted in the state where the Premises are located (the "Code"), and shall create and evidence a security interest in all the Personal Property.

2.2.2 Mortgagor, immediately upon the execution and delivery of this Mortgage, and thereafter from time to time, shall cause this Mortgage, any security instrument creating or evidencing the Lien hereof in the Personal Property, and each instrument of further assurance, including Uniform Commercial Code financing statements and continuation statements, 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 fully to perfect, preserve and protect the Lien hereof upon the Personal Property. In the event Mortgagor fails to exercise such

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instruments of further assurance within ten (10) days after request for execution of the same by Mortgagee, then and in such event Mortgagor hereby appoints and authorizes Mortgagee to act on behalf of Mortgagor upon Mortgagor's failure to comply with the provisions of this Section 2.2.2.

2.2.3 Upon the occurrence of any Event of Default, in addition to the remedies set forth in Article 3, Mortgagee, shall have the power to foreclose Mortgagor's right of redemption in the Personal Property by sale of the Personal Property in accordance with the Code. It shall not be necessary that any Personal Property offered be physically present at any such sale or constructively in the possession of Mortgagee or the person conducting the sale.

2.2.4 Mortgagee may sell the Personal Property or any part thereof at public or private sale with notice to Mortgagor as hereinafter provided. The proceeds of any such sale, after deducting all expenses of Mortgagee in taking, storing, repairing and selling the Personal Property (including, without limitation, reasonable attorneys' fees and the allocated costs of staff counsel) shall be applied in the manner set forth in Section 3.3.3. At any sale, public or private, of the Personal Property or any part thereof, Mortgagee may purchase any or all of the Personal Property offered at such sale.

2.2.5 Mortgagee shall give Mortgagor reasonable notice of any sale of any of the Personal Property pursuant to the provisions of this Section 2.2. Notwithstanding the provisions of Section 5.2, any such notice shall conclusively be deemed to be reasonable and effective if such notice is mailed at least ten (10) days prior to any sale, by first class or certified mail, postage prepaid, to Mortgagor at its address above set forth, or to such other address as Mortgagor may hereafter designate in writing to Mortgagee.

SECTION 2.3 Uniform Commercial Code Security Interest and Financing Statement. This instrument is intended to be a security agreement and financing statement pursuant to the Code covering any of the items of fixtures and equipment and proceeds thereof included as part of the Mortgaged Property and that may be subject to a security interest pursuant to the Code, and the Mortgagor hereby grants the Mortgagee a security interest in such items or types of property. In addition, Mortgagor will execute and deliver to the Mortgagee, upon Mortgagee's request, any financing statements or amendments thereof or continuation statements thereto that the Mortgagee may require to perfect a security interest in said items or types of property. The Mortgagor shall pay all costs of filing such instruments.

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- (a) Name and Address of Debtor: Bagcraft Corporation of America
3900 West 43rd Street
Chicago, Illinois 60632
- (b) Name and Address of Secured Party: General Electric Capital Corporation
190 South LaSalle Street
Suite 1200
Chicago, Illinois 60603
- (c) Description of the types (or items) of property covered by this Financing Statement: Those items described as Improvements and Personal Property in the Conveyance paragraph hereof
- (d) Description of real estate to which collateral is attached or upon which it is located: See Schedule A hereto.

Some or all of the above described collateral is or is to become fixtures upon the above described real estate, and this Financing Statement is to be filed for record in the real estate records.

ARTICLE III

EVENTS OF DEFAULT AND REMEDIES

SECTION 3.1 Events of Default. Each of the following shall constitute an Event of Default:

3.1.1 If (i) Mortgagor shall fail to make any payment of interest or principal, when and as the same shall become due and payable as set forth in the Credit Agreement or the Notes, or (ii) Mortgagor shall fail to make any other payment to be paid by it under the Credit Agreement or the other Loan Documents (as defined in the Credit Agreement) (the Credit Agreement and such other Loan Documents, collectively, "Loan Documents"; each, a "Loan Document") when and as the same shall become due and payable.

3.1.2 If Mortgagor shall fail to perform or observe any term, condition or covenant hereof (other than a failure of the type described in Section 3.1.1) and such failure shall continue unremedied for ten (10) days.

3.1.3 If there shall occur (i) under any of the Loan Documents an "Event of Default" (as such term is defined in the appropriate Loan Document), or (ii) under any lease, mortgage,

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covenant or agreement affecting the Premises which is superior in priority to this Mortgage, any default which is not cured prior to the expiration of any applicable cure period set forth in such lease, mortgage, covenant or agreement, or if no such period is set forth, within ten (10) days.

SECTION 3.2 Remedies in Case of an Event of Default.

If an Event of Default shall have occurred, Mortgagee may, without notice except as otherwise provided in the Credit Agreement, in addition to any other action, take one or more of the following actions:

3.2.1 declare the entire unpaid amount of the Obligations to be due and payable immediately;

3.2.2 personally, or by its agents or attorneys, enter into and upon all or any part of the Premises, and each and every part thereof, and exclude Mortgagor, its agents and servants wholly therefrom; and then use, operate, manage and control the Premises and conduct the business thereof, either personally or by its agents, attorneys or receivers or by a referee appointed by a duly acting court on the application of Mortgagee and on every such entry, from time to time, may maintain and restore the Mortgaged Property, and likewise, from time to time, Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations thereto and thereon as Mortgagee may deem advisable; and in every such case Mortgagee shall have the right to manage, lease and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of Mortgagor with respect thereto either in the name of Mortgagor or otherwise; and Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income of the Mortgaged Property and every part thereof, all of which shall for all purposes constitute property of Mortgagee; and after deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements and amounts necessary to pay for taxes, assessments, insurance and other proper charges upon the Mortgaged Property or any part thereof, as well as just and reasonable compensation for the services of Mortgagee and its attorneys, counsel, agents, clerks, servants and other employees, Mortgagee shall apply the moneys arising as aforesaid, first, to the payment of all amounts due under the Loan Documents other than principal and interest in respect of the Loans; second, to the payment of the interest due in respect of the Loans; and third, to the outstanding principal amount of the Loans;

3.2.3 with or without entry, personally or by its agents or attorneys, to the extent permitted by law, (i) sell the Mortgaged Property and all estate, right, title and interest, claim and demand therein at one or more sales as an entity or in parcels, and at such time and place upon such terms and after such notice

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thereof as may be required or permitted by law, or (ii) institute and prosecute proceedings for the complete or partial foreclosure of this Mortgage; or

3.2.4 take such steps to protect and enforce its rights whether by action, suit or proceeding at law or in equity for the specific performance of any covenant, condition or agreement in the Loan Documents, or in aid of the execution of any power granted in this Mortgage, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect.

SECTION 3.3 Sale of Mortgaged Property if Event of Default Occurs; Proceeds of Sale.

3.3.1 On the completion of any sale or sales by Mortgagee made under or by virtue of this Article 3, Mortgagee, or an officer of any court empowered to do so, shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument or instruments conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold. Mortgagee is hereby irrevocably appointed the true and lawful agent and attorney of Mortgagor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold, and for that purpose Mortgagee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, and Mortgagor hereby ratifies and confirms all that Mortgagee, acting as its attorney, or any such substitute shall lawfully do by virtue hereof. This power of attorney is coupled with the interest of Mortgagee created by this Mortgage. Mortgagor shall ratify and confirm any such sale or sales by executing and delivering to Mortgagee or to such purchaser or purchasers all instruments as may be reasonably requested for such purpose. Any such sale or sales made under or by virtue of this Article 3 shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Mortgagor.

3.3.2 In the event of any sale made under or by virtue of this Article 3, the entire principal of, and interest in respect of the Loans, if not previously due and payable, and all other sums required to be paid by Mortgagor pursuant to the Loan Documents, shall, at the option of Mortgagee, immediately become due and payable, anything in this Mortgage to the contrary notwithstanding.

3.3.3 Subject to the following sentence, the proceeds of any sale made under or by virtue of this Article 3,

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together with any other sums which then may be held by Mortgagee under this Mortgage, whether under the provisions of this Article 3 or otherwise, shall be applied as follows:

First: to the payment of the costs and expenses of such sale, including reasonable compensation to Mortgagee, its agents and attorneys, and of any judicial or private proceedings in which such sale shall be made, and of all other expenses, liabilities and advances made or incurred by Mortgagee, together with interest at the Default Rate on such costs, expenses and liabilities and on all advances made by Mortgagee from the date any such cost, expense or liability is due, owing or unpaid or any such advance is made, in each case until paid in full;

Second: to the payment of all amounts then due, owing or unpaid under the Credit Agreement, other than interest and principal in respect of the Loans and amounts payable under subparagraph "First" above, together with interest on each such amount at the Default Rate, from and after the date such amount is due, owing or unpaid until paid in full;

Third: to the payment of the interest then due, owing or unpaid in respect of the Loans, together with, to the maximum extent permitted by law, interest thereon at the Default Rate, from the date such amount is due, owing or unpaid until paid in full;

Fourth: to the payment of the whole amount of principal then due, owing or unpaid in respect of the Loans, to be applied in accordance with the applicable provisions of the Credit Agreement, with interest on such unpaid principal at the Default Rate, from and after the happening of any Event of Default until paid in full; and

Fifth: the surplus, if any, to be paid to whomever lawfully may be entitled to receive such surplus.

3.3.4 Mortgagee may bid for and acquire the Mortgaged Property or any part thereof at any sale made under or by virtue of this Article 3 and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting against the purchase price the unpaid amounts due and owing in respect of the Loans, after deducting from the sales price the expenses of the sale and the costs of the action or proceedings and any other sums that Mortgagee is authorized to deduct under this Mortgage.

3.3.5 Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales, and, except as otherwise provided by any applicable provision of law, Mortgagee, without further notice

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or publication, may make such sale at the time and place to which the same shall be so adjourned.

SECTION 3.4 Mortgagee's Additional Remedies in Case of an Event of Default.

3.4.1 Mortgagee shall be entitled to recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of the provisions of this Mortgage, and the right of Mortgagee to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Mortgage, or the foreclosure of the Lien of this Mortgage. In case of proceedings against Mortgagor in insolvency or bankruptcy or any proceedings for its reorganization or involving the liquidation of its assets, Mortgagee shall be entitled to prove the whole amount of principal and interest due in respect of the Loans to the full amount thereof and all other payments, charges and costs due under the Loan Documents, without deducting therefrom any proceeds obtained from the sale of the whole or any part of the Premises; provided, however, that in no case shall Mortgagee receive a greater amount than the aggregate of such principal, interest and such other payments, charges and costs (with interest at the Default Rate) from the aggregate amount of the proceeds of the sale of the Mortgaged Property and the distribution from the estate of Mortgagor.

3.4.2 Any recovery of any judgment by Mortgagee and any levy of any execution under any judgment upon the Mortgaged Property shall not affect in any manner or to any extent the Lien of this Mortgage upon the Mortgaged Property or any part thereof, or any Liens, powers, rights and remedies of Mortgagee hereunder, but such Liens, powers, rights and remedies shall continue unimpaired as before.

3.4.3 Any moneys collected by Mortgagee under this Section 3.4 shall be applied in accordance with the provisions of Section 3.3.3 hereof.

SECTION 3.5 Legal Proceedings After an Event of Default.

3.5.1 After the occurrence of any Event of Default and immediately upon the commencement of any action, suit or legal proceedings to obtain judgment for the Obligations or any part thereof, or of any proceedings to foreclose this Mortgage or of any other proceedings in aid of the enforcement of this Mortgage, Mortgagor shall enter its voluntary appearance in such action, suit or proceeding.

3.5.2 Upon the occurrence of an Event of Default, Mortgagee shall be entitled forthwith as a matter of right, either

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before or after declaring the Obligations or any part thereof to be due and payable, to the appointment of a receiver without giving notice to any party, without regard to the adequacy or inadequacy of any security for the Obligations, without requiring bond, without regard to the solvency or insolvency of any person liable for payment of the Obligations, and without regard to the then value of the Mortgaged Property or the occupancy thereof as a homestead, (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the Loans hereby secured is made) for the benefit of Mortgagee, with power to collect the rents, issues and profits of the Mortgaged Property, due and to become due, during any foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of such rents, issues and profits when collected, may pay costs incurred in the management and operation of the Mortgaged Property, prior and subordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the Mortgaged Property, and may pay all or any part of the Obligations or other sums secured hereby or any deficiency decree entered in any foreclosure proceedings. Upon or at any time after the filing of a suit to foreclose this Mortgage, the court in which such suit is filed shall have full power to enter an order placing Mortgagee in possession of the Mortgaged Property with the same power granted to a receiver pursuant to this subparagraph and with all other rights and privileges of a mortgagee-in-possession under applicable law.

3.5.3 Mortgagor shall not at any time insist upon, or plead, or in any manner whatsoever claim or take any benefit or advantage of the right of inquisition on any property levied upon under a judgment obtained in proceedings to collect the Obligations hereby secured or in proceedings on this Mortgage, and further waives and releases any and all benefits that may accrue to the Mortgagor by virtue of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, nor claim, take or insist on any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales of the Mortgaged Property which may be made pursuant to this Mortgage, or pursuant to any decree, judgment or order of any court of competent jurisdiction. Mortgagor shall not, after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof. Mortgagor hereby expressly waives all benefit or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power granted or delegated to Mortgagee by this Mortgage, but to suffer and permit the execution of every such power as though no such law or laws had been made or enacted.

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Mortgagor, for itself and all who may claim under it, waives, to the extent permitted by law, all right to have the Mortgaged Property marshaled on any foreclosure of this Mortgage.

SECTION 3.6 Remedies Not Exclusive. No remedy conferred upon or reserved to Mortgagee by this Mortgage is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Mortgage or now or hereafter existing at law or in equity. Any delay or omission of Mortgagee to exercise any right or power accruing on any Event of Default shall not impair any such right or power and shall not be construed to be a waiver of or acquiescence in any such Event of Default. Every power and remedy given by this Mortgage may be exercised from time to time as often as may be deemed expedient by Agent. If Mortgagee accepts any moneys required to be paid by Mortgagor under this Mortgage after the same becomes due, such acceptance shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums secured by this Mortgage or to declare an Event of Default with regard to subsequent defaults. If Mortgagee accepts any moneys required to be paid by Mortgagor under this Mortgage in an amount less than the sum then due, such acceptance shall be deemed an acceptance on account only and on the condition that it shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due, and Mortgagor's failure to pay the entire sum then due shall be and continue to be an Event of Default notwithstanding acceptance of an amount on account.

ARTICLE IV

CONCERNING THE MORTGAGEE

SECTION 4.1 Mortgagee as a Lender. With respect to any Loans made by it and its rights and obligations under the Loan Documents, Mortgagee shall have and may exercise the same rights and powers hereunder and is subject to the same obligations and liabilities as and to the extent set forth herein for any other Lender, and all as more fully set forth in the Credit Agreement. The term "Lenders," "Lender," or any similar terms shall, unless the context clearly otherwise indicates, include Mortgagee in its individual capacity as a Lender. Mortgagee may accept deposits from, lend money to, and generally engage in any kind of banking, trust or other business with Mortgagor to the same extent as if Mortgagee were not acting as agent pursuant hereto and the Loan Documents.

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ARTICLE V

MISCELLANEOUS

SECTION 5.1 Severability. In the event any one or more of the provisions contained in this Mortgage shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision of this Mortgage, but this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The invalidity of any provision of this Mortgage in any one jurisdiction shall not affect or impair in any manner the validity of such provision in any other jurisdiction.

SECTION 5.2 Notices. Unless otherwise specifically provided herein, any notice or other communication required or permitted to be given shall be in writing addressed to the respective party as set forth below and may be personally served, telecopied, or sent by overnight courier service or United States mail and shall be deemed to have been given: (a) if delivered in person, when delivered; (b) if delivered by telecopy, on the date of transmission; (c) if delivered to overnight courier, one (1) Business Day after deposit with such courier properly addressed; or (d) if by U.S. mail, the earlier of receipt or three (3) days after deposit in the U.S. mail, with postage prepaid and properly addressed.

Notices shall be addressed as follows:

(a) If to Borrower: BAGCRAFT CORPORATION OF AMERICA
3900 West 43rd Street
Chicago, Illinois 60632
Attention: Chief Financial Officer
Telecopy No.: (312) 254-5216

with a copy to: KWIATT & SILVERMAN
500 North Central Avenue
Northfield, Illinois 60093
Attention: Phillip E. ~~Reardon~~ ^{Rubert}
Telecopy No.: (708) 441-7606

(b) If to Mortgagee: GENERAL ELECTRIC CAPITAL
CORPORATION
Commercial Finance, Inc.
190 South LaSalle Street
Suite 1200
Chicago, Illinois 60601
Attention: Vice President,
Portfolio
Telecopy No.: (312) 419-5992

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with copies to: GENERAL ELECTRIC CAPITAL
CORPORATION
Commercial Finance, Inc.
501 Merritt Seven
Third Floor
Norwalk, Connecticut 06851
Attention: Legal Counsel
Telecopy No.: (203) 840-4520

and

WINSTON & STRAWN
35 West Wacker Drive
Chicago, Illinois 60661
Attn: Andrew H. Connor
Telecopy No.: (312) 558-5700

or, in any case, to such other address as the party addressed shall have previously designated by written notice to the serving party given in accordance with this Section 5.2. A notice not given as provided above shall, if it is in writing, be deemed given if and when actually received by the party to whom given.

SECTION 5.3 Covenants to Run with the Land. All of the grants, covenants, terms, provisions and conditions in this Mortgage shall run with the land and shall apply to, bind and inure to the benefit of, the successors and assigns of Mortgagor and Mortgagee.

SECTION 5.4 Captions; Gender and Number. The captions and section headings of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof. All terms contained herein shall be construed, whenever the context of this Mortgage so requires, so that the singular shall be construed as the plural and so that the masculine shall be construed as the feminine.

SECTION 5.5 Limitation on Interest Payable. Notwithstanding any provision to the contrary contained in the Loan Documents, the Mortgagor shall not be required to pay and the Mortgagee shall not be permitted to collect any amount in excess of the maximum amount of interest permitted by law ("Excess Interest"). If any Excess Interest is provided for or determined to have been provided for by a court of competent jurisdiction in the Loan Documents, then in such event (A) the provisions of this subparagraph shall govern and control; (B) neither the Mortgagor nor any guarantor or endorser shall be obligated to pay any Excess Interest; (C) any Excess Interest that the Mortgagee may have received hereunder shall be, at the Mortgagee's option, (1) applied as a credit against the outstanding principal balance of the Obligations or accrued and unpaid interest (not to exceed the maximum amount permitted by law), (2) refunded to the payor

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thereof, or (3) any combination of the foregoing; (D) the interest rate(s) provided for herein shall be automatically reduced to the maximum lawful rate allowed under applicable law, and the Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction; and (E) neither Mortgagor nor any guarantor or endorser shall have any action against the Mortgagee for any damages arising out of the payment or collection of any Excess Interest.

SECTION 5.6 Indemnification; Reimbursement. Mortgagor shall reimburse Mortgagee and Lenders, upon demand, for all costs and expenses incurred by Mortgagee and Lenders in connection with the administration and enforcement of this Mortgage, and shall indemnify and hold harmless Mortgagee and Lenders, upon demand, from and against any and all losses, liability (including liabilities for penalties), actions, suits, proceedings, judgments, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and the allocated costs of staff counsel) incurred by Mortgagee or any Lender hereunder or in connection herewith, unless a court of competent jurisdiction shall determine such liability is properly due to the willful misconduct, gross negligence or bad faith of Mortgagee or such Lender, as the case may be. In the event Mortgagor shall fail to perform any act or thing which it has covenanted to do hereunder or any warranty on the part of Mortgagor contained herein shall be breached, Mortgagee may (but shall not be under obligation to) do the same or cause it to be done or remedy any such breach, and may expend its funds for such purpose. Any and all amounts so expended by Mortgagee shall be repayable to it by Mortgagor upon demand therefor, with interest at the Default Rate and shall, with interest, be secured by this Mortgage. If any action or proceeding is commenced to which action or proceeding Mortgagee or any Lender is made a party or in which it becomes necessary to defend or uphold the Lien of this Mortgage, Mortgagor shall, on demand, reimburse Mortgagee or such Lender, as the case may be, for all reasonable expenses (including, without limitation, reasonable attorneys' fees and the allocated costs of staff counsel) incurred by Mortgagee or such Lender in any such action or proceeding. In any action or proceeding to foreclose this Mortgage or to recover or collect the Obligations, the provisions of law relating to the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant. Mortgagor's obligations under this Section 5.6 shall survive the satisfaction of this Mortgage and the discharge of Mortgagor's other obligations hereunder. The provisions of this Section 5.6 shall not be construed in limitation of any other provision in any Loan Document.

SECTION 5.7 Choice of Law. The internal laws of the State of Illinois shall govern all matters hereunder, except that the internal laws of the state where the Premises are located shall govern the lien priority and validity of this Mortgage and procedures with respect to the enforcement thereof.

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SECTION 5.8 No Merger. The rights and estate created by this Mortgage shall not, under any circumstances, be held to have merged into any other estate or interest now owned or hereafter acquired by Mortgagee unless Mortgagee shall have consented to such merger in writing.

SECTION 5.9 Counterparts. This Mortgage may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original. All such counterparts shall together constitute but one and the same instrument.

SECTION 5.10 Changes in Writing. This Mortgage may not be modified, amended, discharged or waived in whole or in part except by an instrument in writing signed by (i) Mortgagor, to the extent any modification, amendment, discharge or waiver is sought to be enforced against Mortgagor, and (ii) Mortgagee, to the extent any modification, amendment, discharge or waiver is sought to be enforced against Mortgagee.

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IN WITNESS WHEREOF, this instrument is executed as of the day and year first above written.

THE MORTGAGOR HEREBY DECLARES AND ACKNOWLEDGES THAT THE MORTGAGOR HAS RECEIVED, WITHOUT CHARGE, A TRUE COPY OF THIS MORTGAGE.

MORTGAGOR:

BAGCRAFT CORPORATION OF AMERICA, a Delaware corporation

By: *[Signature]*

Its: E.V.P.

Attest: *Michael J. [Signature]*

Its: V.P. Finance

(Corporate Seal)

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Schedule A
Legal Description

PARCEL 1:

AN IRREGULAR SHAPED PARCEL OF LAND IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF PRIVATE WEST 43RD STREET (A PRIVATE STREET) SAID NORTH LINE OF PRIVATE WEST 43RD STREET BEING 33.0 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 2, AND A LINE 299.07 FEET (MEASURED PARALLEL TO AFORESAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2) WEST OF AND PARALLEL TO THE EAST LINE OF SAID WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, SAID LAST DESCRIBED PARALLEL LINE BEING THE EASTERLY BOUNDARY LINE OF THE PREMISES CONVEYED BY THE FIRST NATIONAL BANK OF CHICAGO, TO THE THEN TRUSTEES OF THE CENTRAL MANUFACTURING DISTRICT BY DEED DATED APRIL 9, 1957 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS ON MAY 21, 1957 IN BOOK 54908, AT PAGE 226 AS DOCUMENT 16915322; THENCE NORTH ALONG THE LAST DESCRIBED PARALLEL LINE, 308.29 FEET TO A POINT; SAID POINT BEING ALSO THE NORTHEAST CORNER OF THE SAID PREMISES AS CONVEYED BY DEED DATED APRIL 9, 1957 AS AFOREMENTIONED; THENCE NORTHEASTERLY ALONG A CURVE CONVEX TO THE SOUTHEAST, HAVING A RADIUS OF 295.12 FEET, AN ARC DISTANCE OF 229.84 FEET, MORE OR LESS TO ITS INTERSECTION WITH A LINE 519.27 FEET, BY RECTANGULAR MEASUREMENT, NORTH OF AND PARALLEL TO SAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, SAID POINT OF INTERSECTION BEING 160.16 FEET (MEASURED PARALLEL TO AFORESAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2), WEST OF SAID EAST LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2; THENCE EAST ALONG THE LAST DESCRIBED PARALLEL LINE TO A POINT 158.0 FEET, BY RECTANGULAR MEASUREMENT, WEST OF AND PARALLEL TO SAID EAST LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2; THENCE SOUTHEASTERLY ALONG A CURVED LINE CONVEX TO THE SOUTHWEST, HAVING A RADIUS OF 584.21 FEET, AN ARC DISTANCE OF 209.93 FEET, MORE OR LESS, TO A POINT WHICH IS 314.32 FEET, BY RECTANGULAR MEASUREMENT, NORTH OF SAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2 AND 120.7 FEET WEST OF THE EAST LINE OF SAID WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, MEASURED ALONG A LINE PARALLEL TO THE SOUTH LINE THEREOF; THENCE SOUTHEASTERLY ON A STRAIGHT LINE TO A POINT WHICH IS 212.9 FEET, BY RECTANGULAR MEASUREMENT, NORTH OF THE SAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, AND 82.41 FEET WEST OF THE EAST LINE OF SAID WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, MEASURED ALONG A LINE PARALLEL TO THE SOUTH LINE THEREOF; THENCE SOUTHEASTERLY ON A CURVE CONVEX TO THE NORTHEAST, HAVING A RADIUS OF 562.19 FEET, AN ARC DISTANCE OF 19.0 FEET, MORE OR LESS TO A POINT WHICH IS 195.08 FEET, BY RECTANGULAR MEASUREMENT, NORTH OF THE SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2 AND 76.02 FEET WEST OF THE EAST LINE OF SAID WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, MEASURED ALONG A LINE PARALLEL WITH THE SOUTH LINE THEREOF; THENCE SOUTHERLY ON A CURVE CONVEX TO THE EAST, HAVING A RADIUS OF 317.63 FEET, AN ARC DISTANCE OF 127.55 FEET, MORE OR LESS, TO A POINT WHICH IS 69.58 FEET, BY RECTANGULAR MEASUREMENT, NORTH OF SAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, AND 60.26 FEET WEST OF THE EAST LINE OF SAID WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, MEASURED ALONG A LINE PARALLEL WITH THE SOUTH LINE THEREOF; THENCE SOUTHERLY ALONG A STRAIGHT LINE TO A POINT IN THE NORTH LINE OF WEST 43RD STREET, AFOREMENTIONED,

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SAID POINT BEING 63.05 FEET WEST OF THE EAST LINE OF SAID WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, MEASURED ALONG A LINE PARALLEL WITH THE SOUTH LINE THEREOF; THENCE WEST ALONG SAID NORTH LINE OF WEST 43RD STREET, A DISTANCE OF 236.01 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO

PARCEL 2:

THAT PART OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF WEST 43RD STREET (A PRIVATE STREET), SAID NORTH LINE OF WEST 43RD STREET BEING 33.0 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF WEST 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 2, AND A LINE 299.07 FEET (MEASURED PARALLEL TO AFORESAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2) WEST OF AND PARALLEL TO THE EAST LINE OF SAID WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, SAID LAST DESCRIBED PARALLEL LINE BEING THE EASTERLY BOUNDARY LINE OF THE PREMISES CONVEYED BY THE FIRST NATIONAL BANK OF CHICAGO, TO THE THEN TRUSTEES OF THE CENTRAL MANUFACTURING DISTRICT BY DEED DATED APRIL 9, 1957 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS, ON MAY 27, 1957 IN BOOK 54908, AT PAGE 226 AS DOCUMENT 15915322; THENCE NORTH ALONG THE LAST DESCRIBED PARALLEL LINE, 182.0 FEET; THENCE WEST ALONG A LINE PARALLEL TO THE NORTH LINE OF AFORESAID WEST 43RD STREET, 57.75 FEET TO AN EXISTING BRICK WALL OF A ONE STORY BRICK BUILDING; THENCE SOUTHERLY ALONG THE SAID BRICK WALL AND ITS SOUTHERLY EXTENSION, 182.0 FEET TO THE NORTH LINE OF SAID WEST 43RD STREET; THENCE WEST ALONG SAID NORTH LINE OF WEST 43RD STREET 60.05 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

ALSO

PARCEL 3:

THAT PART LYING WEST OF A STRAIGHT LINE PARALLEL TO AND 299.07 FEET (MEASURED PARALLEL TO THE SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, WEST OF THE EAST LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2) OF THE FOLLOWING DESCRIBED PREMISES:

AN IRREGULAR SHAPED PARCEL OF LAND IN THE WEST 1/2 OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS::

BEGINNING AT THE INTERSECTION OF THE NORTH LINE OF PRIVATE WEST 43RD STREET (A PRIVATE STREET), SAID NORTH LINE OF PRIVATE WEST 43RD STREET BEING 33 FEET NORTH OF AND PARALLEL TO THE SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 2, AND A LINE 784.07 FEET, (MEASURED PARALLEL TO AFORESAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, WEST OF AND PARALLEL TO THE EAST LINE OF SAID WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2; SAID LAST DESCRIBED PARALLEL LINE BEING THE EASTERLY BOUNDARY LINE OF THE PREMISES CONVEYED BY THE FIRST NATIONAL BANK OF CHICAGO, TO THE THEN TRUSTEES OF CENTRAL MANUFACTURING DISTRICT BY DEED DATED JULY 18, 1951 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS ON JULY 26, 1951 IN BOOK 47027, AT PAGE 156 AS DOCUMENT 15132507; THENCE NORTH ALONG THE LAST DESCRIBED PARALLEL LINE 248.02 FEET TO A POINT; THENCE NORTHEASTERLY ON A STRAIGHT LINE 131.28 FEET, MORE OR LESS, TO ITS INTERSECTION WITH A LINE 301 FEET, BY

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RECTANGULAR MEASUREMENT, NORTH OF AND PARALLEL TO SAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, SAID POINT OF INTERSECTION BEING 654.07 FEET (MEASURED PARALLEL TO AFORESAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, WEST OF SAID EAST LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2; THENCE EAST ALONG THE LAST DESCRIBED LINE TO A POINT OF CURVE; SAID POINT OF CURVE BEING 447.89 FEET (MEASURED PARALLEL TO AFORESAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2) WEST OF THE SOUTH EAST LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2; THENCE NORTHEASTERLY ALONG A CURVE, CONVEX TO THE SOUTHEAST, HAVING A RADIUS OF 295.12 FEET, AN ARC DISTANCE OF 385.82 FEET, MORE OR LESS, TO ITS INTERSECTION WITH A LINE 519.27 FEET, BY RECTANGULAR MEASUREMENT, NORTH OF AND PARALLEL TO SAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, SAID POINT OF INTERSECTION BEING 160.16 FEET (MEASURED PARALLEL TO AFORESAID SOUTH LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2 WEST OF THE SAID EAST LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2; THENCE EAST ALONG THE LAST DESCRIBED PARALLEL LINE TO ITS INTERSECTION WITH A LINE 158 FEET, BY RECTANGULAR MEASUREMENT, WEST OF AND PARALLEL TO THE SAID EAST LINE OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 2, SAID LAST DESCRIBED PARALLEL LINE BEING THE EASTERLY BOUNDARY LINE OF THE PREMISES CONVEYED BY THE CHICAGO RIVER AND INDIANA RAILROAD COMPANY, TO THE FIRST NATIONAL BANK OF CHICAGO BY DEED DATED MAY 23, 1951 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS ON JUNE 7, 1951 IN BOOK 46794, AT PAGE 526 AS DOCUMENT 15094225; THENCE SOUTH ALONG THE LAST DESCRIBED PARALLEL LINE TO THE SAID NORTH LINE OF PRIVATE WEST 43RD STREET; THENCE WEST ALONG SAID NORTH LINE OF PRIVATE WEST 43RD STREET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS; EXCEPTING THEREFROM THAT PART THEREOF DESCRIBED ABOVE AS PARCEL 2, ALL IN COOK COUNTY, ILLINOIS.

PI N: 19 - 02 - 100 - 027

19 - 02 - 100 - 028

19 - 02 - 100 - 031

Commonly Known as: 3900 West 43rd Street
Chicago, IL

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