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THIS IS A JUNIOR MORTGAGE
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SECOND MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE AND SECURITY AGREEMENT, dated as of the first day of December, 1985, by Chicago Tag & Label, Inc. (the "Borrower"), as mortgagor, to the Skokie Trust and Savings Bank (the "Mortgagee"), as mortgagee;

WITNESSETH:

WHEREAS, the Illinois Finance Development Authority (the "Authority") has made a loan to the Borrower (the "Program Loan") of a sum of money (to be used with such other moneys, if any, paid by the Borrower) for the acquisition, construction, rehabilitation or equipping of the real property and has granted to the Authority a first mortgage lien on such real property ("First Mortgage") legally described in the schedule attached hereto as Schedule "A" and by this reference made a part hereof (the "Mortgaged Premises"), (which acquisition, construction, rehabilitation or equipping of the Mortgaged Premises is herein-after referred to as the "Project"); and

WHEREAS, in order to provide funds to make the Program Loan the Authority has issued and sold \$600,000.00 aggregate principal amount of its Economic Development Revenue Bonds, 1985 Series 15 (the "Bonds") and has deposited the net proceeds thereof with Continental Illinois National Bank and Trust Company of Chicago, as Trustee (the "Trustee"), under Parts I and II of the Economic Development Revenue Bond Resolution adopted by the Authority on November 20, 1985 (the "Resolution"); and

WHEREAS, for the purposes of the First Mortgage, the moneys borrowed by the Authority through the issuance of the Bonds for the purposes described in Section 203 of the Resolution and the interest, fees and expenses set forth in the hereinafter defined Borrower Note and Loan Agreement (the "Program Loan") shall constitute a part of, and be included in, the computation of the mortgage debt secured by the First Mortgage of the Authority; and

WHEREAS, contemporaneously with the execution and delivery hereof, the Borrower has executed and delivered to the Authority its mortgage note (the "Borrower Note"), of even date herewith, as evidence of its indebtedness to the Authority in the principal sum of Six Hundred Thousand Dollars (\$600,000.00) which amount represents and is equal to the principal amount of the Bonds issued by the Authority for the purpose of obtaining funds with which it will make the Program Loan, with interest thereon at the rates and payable at the times and in the manner as specified in the Borrower Note; and

WHEREAS, contemporaneously with the execution and delivery hereof, the Borrower has executed and delivered to the Authority, among other things, the Loan Agreement, of even date herewith, by and between the Authority and the Borrower (the "Loan Agreement") pursuant to which the Borrower has agreed to repay the Program Loan; and

This Instrument Prepared by, and when Recorded Return to:

Kenneth L. Coughlan
DeHaan & Richter, P.C.
Suite 1000
55 W. Monroe Street
Chicago, Illinois 60603

DEC 11 PM 1:15

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WHEREAS, Mortgagee has entered into a Borrower Reimbursement Agreement with the Borrower, dated as of December 1, 1985 (the "Reimbursement Agreement") under which the Mortgagee will issue its Participating Letter of Credit; and

WHEREAS, the Authority and the Trustee have provided for the Program Loan to be serviced on their behalf by Skokie Trust and Savings Bank, in the Village of Skokie, Illinois (the "Participating Bank"); and

NOW THEREFORE, THIS MORTGAGE WITNESSETH, that the Borrower to secure the performance of the Borrower's obligations under the Reimbursement Agreement in accordance with the terms and provisions thereof, and the payment of any other sums therein provided for (provided however that notwithstanding anything else in this Mortgage to the contrary, the total indebtedness secured hereby shall not exceed \$800,000), and the observance and performance of the covenants and agreements contained herein or in the Reimbursement Agreement and the other indebtedness which this Mortgage by its terms secures, and also in consideration of the sum of Ten Dollars in hand paid, the receipt whereof is hereby acknowledged ("Mortgage Debt") hereby grants, mortgages and warrants to the Mortgagee, and its successors and assigns, under the subject to the terms and conditions hereinafter set forth, and grants a security interest in, all of the Borrower's rights, title and interest in and to the Mortgaged Premises, located in the city of Chicago, County of Cook, State of Illinois;

Together with all right, title, equity and interest of the Borrower, if any, of, in, and to beds of the streets, roads, avenues, lanes, alleys, passages and ways, and any easements, rights, liberties, hereditaments and appurtenances whatsoever belonging to, on, over, below, or adjoining the Mortgaged Premises;

Together also with any and all award and awards heretofore made and hereafter to be made by any municipal, Federal, state entity, or any other entity having the power of eminent domain, to the present and all subsequent owners of the Mortgaged Premises, including any award and awards for any change or changes of grade of streets affecting said premises, which said award and awards are hereby assigned to the Authority as additional security for the Mortgage Debt secured by the First Mortgage, and to the legal successors and assigns of the Authority;

Together with all personal property acquired with the proceeds of the Program Loan, including without limitation, any and all such property hereafter located on or at the Mortgaged Premises;

Together with any and all structures, buildings and improvements and replacements thereof and additions thereto acquired with the proceeds of the Program Loan, now or at any time hereafter constructed, erected, installed or placed in or upon the Mortgaged Premises and any and all fixtures, fittings, appliances, apparatus, equipment, machinery, chattels, and articles of personal property, acquired with the proceeds of the Program Loan, including, but not limited to, steam and hot water boilers, pipes, radiators, now or at any time hereafter affixed to, attached to, placed upon, or used, or stored on or off the site, or in any way connected with the operation of the physical plant of the

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Mortgaged Premises, all of which the Borrower hereby declares and agrees shall be and remain and constitute a portion of the security for the Mortgage Debt and a part of the Mortgaged Premises covered by and subject to the lien of this Mortgage. If the lien of this Mortgage be subject at any time to a security instrument or security interest under the Illinois Uniform Commercial Code, Chapter 26, Section 1-101, et seq., Illinois Revised Statutes (hereinafter referred to as "UCC") covering any personal property, all the right, title, equity and interest of the Borrower in and to any and all such personal property, together with the benefits of any deposits or payments made thereon by the Borrower or its successors or assigns, shall nevertheless be and are hereby assigned to the Mortgagee, its successors or assigns, and are covered by and subject to the lien of this Mortgage; and the Borrower shall promptly on request of the Mortgagee procure the discharge of any such security instruments or security interests under the UCC so that this Mortgage shall at all times constitute a first and superior lien on all of such personal property subject only to the First Mortgage;

Together with all right, title and interest of the Borrower now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, privileges, easements, franchises and appurtenances belonging or in any wise appertaining to the Mortgaged Premises and the reversions, rents, issues, revenues and profits thereof, including all interest of the Borrower in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money or securities as advanced rent or for security) under any and all leases or subleases and renewals thereof of said property (including during any period allowed by law for the redemption of said property after any foreclosure or other sale) together with the right, but not the obligation, to collect, receive and receipt for all such rents and apply them to the indebtedness hereby secured and to demand, sue for and recover the same when due or payable, provided that the assignments made hereby shall not impair or diminish the obligations of the Borrower under the provisions of such leases nor shall such obligations be imposed upon Mortgagee. By acceptance of this Mortgage, Mortgagee agrees, not as a limitation or condition thereof, but as a personal covenant available only to the Borrower, that until an Event of Default (described in Section 13 hereunder) shall occur giving Mortgagee the right to foreclose this Mortgage, the Borrower may collect, receive and enjoy such rents.

TO HAVE AND TO HOLD the Mortgaged Premises and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, warranted, assigned, pledged and in which a security interest is granted, or intended to be granted to Mortgagee, its successors and assigns, forever; provided, however, that this Mortgage is upon the express condition that if the Borrower shall pay or cause to be paid all indebtedness hereby secured and shall keep, perform and observe all and singular the covenants and promises in the Reimbursement Agreement, Borrower Note, Loan Agreement or in this Mortgage or in any other instrument or document securing the Borrower Note or in the Loan Agreement expressed to be kept, performed and observed by the Borrower, and if the principal of and interest on the Bonds shall have been paid in full, then Mortgagee, upon the written request and at the expense of the Borrower, shall execute and deliver a document in proper statutory form for recording, releasing and discharging this Mortgage, and this Mortgage and the estate and rights hereby granted shall cease, determine and be void.

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This Mortgage, duly executed by the appropriate officers of the Borrower includes the following covenants, terms and provisions:

1. All of the foregoing recitals are made a part hereof.
2. The Borrower shall pay and perform all liabilities, obligations, and indebtedness under the Reimbursement Agreement secured hereby, as hereinbefore provided, and the Mortgage Debt, Borrower Note and the Loan Agreement, each bearing even date herewith.
3. The Borrower agrees to pay all moneys required to be paid hereunder at the principal office of the Mortgagee, or at such other place or places as the Mortgagee may designate to the Borrower in writing, from time to time, in any coin or currency of the United States of America which, on the respective dates of payments thereof, shall be legal tender for the payment of public and private debts.
4. The Borrower is, and as to portions of the real and personal property to be acquired of the cost of which is to be reimbursed after the date hereof, will be the sole owner of the real and personal property acquired with the proceeds of the Program Loan and the Mortgaged Premises and, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever. The Borrower will notify the Authority and the Mortgagee of, and will defend such real and personal property and the Mortgaged Premises and against, all claims and demands of all persons at any time claiming the same or any interest therein.
5. The Borrower represents and warrants that it has good and marketable title to an indefeasible fee estate in the Mortgaged Premises, subject to no lien, charge or encumbrance except the First Mortgage and that this Mortgage is and will remain a valid and enforceable (second) lien on the Mortgaged Premises subject only to the First Mortgage. As its own cost and without expense to Mortgagee, the Borrower will preserve such title, and will defend the validity and priority of the lien hereof against the claims of all other persons.
6. The Borrower will not lease, sell, convey or in any manner transfer the Mortgaged Premises and personal property secured hereby without the prior written consent of the Authority and the Mortgagee, except as otherwise provided in the Loan Agreement. Such personal property is not and will not be used or bought for personal, family or household purposes. Such personal property will be kept on or at the Mortgaged Premises and the Borrower will not remove the personal property from the Mortgaged Premises without the prior written consent of the Authority and the Mortgagee, except such portions or items of personal property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by the Borrower, as further provided in the Loan Agreement. At the request of the Trustee, the Borrower will join the Authority and Mortgagee in executing one or more financing statements and renewals and amendments thereof pursuant to the Uniform Commercial Code of Illinois in form satisfactory to the Trustee or Mortgagee, and will pay the cost of filing the same in all public offices wherever filing is deemed by the Trustee or Mortgagee to be necessary or desirable.

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7. The Borrower will not make any Program Loan prepayments or repayments except as authorized in the Borrower Note and the Loan Agreement.

8. If any action or proceeding be commenced, except an action to foreclose the Mortgage herein contained or to collect this Mortgage Debt, to which action or proceeding the Authority, the Trustee or the Mortgagee is made a party, or in which it becomes necessary to defend or uphold a lien of this Mortgage, all reasonable sums paid by the Authority, the Trustee and the Mortgagee in litigation expense to establish or defend the rights and lien of this Mortgage, including reasonable attorney's fees and costs and allowances, shall be paid by the Borrower, together with interest at the highest legal rate then in effect, and any such sum or sums and the interest thereon shall be a further lien on the Mortgaged Premises and secured by this Mortgage. Notwithstanding this paragraph 8, in any action or proceeding to foreclose this Mortgage, or to recover or collect the Mortgage Debt, the provisions of law and of paragraph 9 hereof respecting the recovery of costs, disbursements and allowances shall prevail over this paragraph 8.

9. In the event this Mortgage and the Reimbursement Agreement which it secures shall be in default and are placed in the hands of an attorney for the collection of any such payment thereunder or for the enforcement of any of the terms, covenants and conditions thereof, the Borrower agrees to pay all costs of collection, including reasonable attorneys' fees, incurred by the Mortgagee, either with or without the institution of an action or proceeding, and in addition thereto all costs, disbursements and allowances provided by law. All such costs so incurred shall be deemed to be secured by this Mortgage and collectable in any manner permitted by law or by this Mortgage.

10. The Borrower will, at its own cost and without expense to Mortgagee, do, execute, acknowledge and deliver such further acts, deeds, conveyances, mortgages, assignments, notices of assignment, transfers and assurances as Mortgagee shall from time to time require with respect to the Mortgaged Premises, for the better assuring, conveying, assigning, transferring and confirming unto Mortgagee the Mortgaged Premises and the rights hereby conveyed or assigned or intended now or hereafter so to be, or which the Borrower may be or may hereafter become bound to convey or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Mortgage.

11. From time to time whenever demand may be made therefor by the Authority, the Trustee or the Mortgagee, the Borrower, within six (6) days from such demand, shall execute and deliver to the party requesting the same in form and content satisfactory to it a security interest under the UCC covering the equipment, chattels, and personal property then or thereafter to be installed in, or used in connection with the operation of the physical plant of the Mortgaged Premises and acquired with the proceeds of the Program Loan; and any delay, failure or refusal to do so shall constitute a default under this Mortgage; and all the equipment, chattels, and personal property aforesaid shall be and remain clear and unencumbered except by this Mortgage and the First Mortgage and such security interests under the UCC delivered to the Authority, the Trustee or the Mortgagee hereto are cumulative and given as additional security and shall not remove the equipment, chattels or personal property from the lien of this Mortgage.

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12. The Borrower shall at all times keep the Mortgaged Preinises and Project continuously insured against such risks as are customarily insured against by businesses of like size and type, paying as the same become due all premiums in respect thereto, including but not necessarily limited to:

(a) The Borrower shall keep the Mortgaged Preinises and Project now existing or hereinafter erected insured under a one hundred percent (100%) replacement cost form of insurance policy (containing an agreed upon amount of replacement endorsement) against loss or damage resulting from fire, windstorm and other hazards. All such insurance shall be delivered to the Mortgagee at least thirty (30) days before the expiration of the then existing policies and shall have attached thereto standard non-contributing mortgage clauses entitling Mortgagee to collect any and all proceeds payable under such insurance, as well as standard waiver of subrogation endorsements.

(b) The Borrower shall carry and maintain comprehensive public liability and workman's compensation insurance in such amounts as the Mortgagee may reasonably require, but not less than one million five hundred thousand dollars (\$1,500,000) single limit with respect to public liability insurance and not less than one million one hundred thousand dollars (\$1,000,000) single limit with respect to workman's compensation insurance. Certificates of such insurance shall contain provision for twenty (20) days' notice to Mortgagee prior to any cancellation thereof.

(c) Builder's risk insurance, including coverage under the Illinois Structural Work Act, upon any work done or materials furnished under construction contracts in the amount of 100% of the insurable value of the contracts in the name of the Mortgagee and the Borrower and the contractors, as their interests may appear.

(d) If the Project is located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area, the Borrower will keep the Project insured against loss by flood for the term of the Participating Letter of Credit (as defined in the Reimbursement Agreement), in an amount at least equal to the outstanding principal balance of the Participating Letter of Credit or the maximum limit of coverage available for the Project under the National Flood Insurance Act of 1968, whichever is less. All proceeds of any insurance shall be payable to the Mortgagee.

Copies or certificates of the insurance policies required by this Section shall be delivered by the Borrower to the Mortgagee, and, in the case of policies expiring throughout the term of this Mortgage, copies or certificates of any new or renewal policies shall be delivered by the Borrower to the Mortgagee. Policies of insurance provided for in this Section shall name the Mortgagee and the Borrower as insureds as their respective interests may appear; provided, however, that the Mortgagee shall also be named as a party insured pursuant to a standard mortgagee clause as its interest may appear and provided further that while the Bonds remain outstanding all casualty insurance proceeds shall be payable as provided in hereunder or under the Loan Agreement. All insurance shall be for the equal benefit of the Authority. All insurance required by this Section 12 shall be effected with generally recognized responsible insurance

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companies authorized to do business in Illinois selected by the Borrower and may be by blanket insurance policy or policies. Nothing in this Section 12 shall diminish the Borrower's obligation to repair or rebuild to the extent provided hereunder or under the Loan Agreement. The Borrower shall have the sole right and responsibility to adjust any loss with the insurer involved and to conduct any negotiations in connection therewith, provided that so long as the Bonds remain outstanding and unpaid and there is no Event of Default existing or continuing under the Reimbursement Agreement or Loan Agreement, no settlement of any claim in excess of \$50,000.00 shall be effected without the written consent of the Mortgagee, which consent shall not be unreasonably withheld.

13. The whole of the Mortgage Debt secured by the First Mortgage of the Authority shall immediately become due and payable at the option of the Mortgage, so long as the Bonds are Mortgagee-held Bonds as defined in the Resolution, otherwise at the option of the Trustee, its successors and assigns, upon the happening of any one or more of the "Events of Default" set forth in Section 7.1 of the Loan Agreement.

14. Upon an Event of Default described in the preceding paragraph 13 hereof or under the Reimbursement Agreement, the Mortgagee, as Attorney-in-Fact of the Borrower or the then owner of the Mortgaged Premises, shall at the sole election of the Mortgagee exercise at any time and from time to time any and all the powers, rights remedies and authority of the Borrower and of the then owner of the Mortgaged Premises, with power to institute mortgage foreclosure proceedings and power to eject or dispossess the Borrower and any tenants of the Borrower in the Mortgaged Premises, and to rent or lease any portion or portions of the Mortgaged Premises, and the then owner of the Mortgaged Premises shall, on demand, surrender possession of the Mortgaged Premises to the holder of this Mortgage and the said holder may enter upon the Mortgaged Premises and rent or lease the same on any terms approved by it, and may collect all the rents therefrom, if any which are due or become due, and may apply the same, after payment of all charges and expenses, including the making of repairs which in its judgment may be necessary, on account of the Mortgage Debt secured by this Mortgage. In the case of such an Event of Default, the holder of this Mortgage, by virtue of such right to possession or as the agent of the then owner of the Mortgaged Premises, may dispossess by legal proceedings or other legally available means any tenant defaulting in the payment to the holder of this Mortgage of any rent, and the Borrower hereby irrevocably appoints the holder of this Mortgage its agent for such purposes. In the event that the then owner of the Mortgaged Premises is the occupant of any part of the Mortgaged Premises, such occupant agrees to surrender possession of the Mortgaged Premises to the holder of this Mortgage immediately upon any such Event of Default hereunder and, if such occupant remains in possession, the possession shall be as tenant of the holder of this Mortgage, and such occupant agrees to pay monthly in advance to the holder of this Mortgage a reasonable rent for the portion of the Mortgaged Premises so occupied, and in default of so doing, such occupant may also be dispossessed by the usual summary proceedings. The Borrower makes these covenants for itself and for any subsequent owner of the Mortgaged Premises, and the Mortgage may exercise any of its rights under these covenants immediately after the happening of any such Event of Default solely on the determination of the then holder of this Mortgage, who shall give notice of such determination of the then owner of the Mortgaged Premises. In the case of foreclosure or the appointment of a receiver of rents, the covenants herein contain shall inure to the benefit of such receiver.

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15. The holder of this Mortgage, in any action to foreclose it, shall be entitled without notice and without regard to the adequacy of the security, to the appointment of a receiver.

16. In case of sale under foreclosure, the Mortgaged Premises may be sold in one (1) or more parcels.

17. All covenants and obligations of the Borrower contained herein relating to the Mortgaged Premises shall be deemed to apply to the personal property secured hereby whether or not expressly referred to herein.

18. This Mortgage constitutes a Security Agreement as that term is used in the Uniform Commercial Code of Illinois.

19. Any notice and demand or request required or permitted may be, unless expressly otherwise provided herein, in writing and may be served in person or by mail.

20. The failure or delay of the Mortgagee or successor and assign of the Reimbursement Agreement and this Mortgage to assert in any one or more instances any of its rights hereunder shall not be deemed or construed a waiver of any such rights. No amendment or waiver of any provision of this Mortgage, nor consent to any departure by the Mortgagee or the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No remedy or right of Mortgagee shall be exclusive of, but shall be cumulative and in addition to, every other remedy or right now or hereafter existing at law or in equity or by statute or otherwise. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

21. All covenants and conditions of this Mortgage other than those required by Illinois law shall be construed as affording to the Mortgagee rights additional to, and not exclusive of, the rights conferred under the provisions of the Illinois law.

22. This Mortgage, to the extent inconsistent with the Act, as defined in the Loan Agreement, shall be governed by the Act, and the rights and obligations of the parties shall at all times be in conformance with the Act.

23. The Borrower shall not and will not apply for or avail itself of any appraisalment, valuation, redemption, stay, extension, 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 this Mortgage, but hereby waives the benefit of such laws. The Borrower, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the premises sold as an entirety. The Borrower hereby waives any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of the Borrower, the trust estate, and all persons

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beneficially interested therein, and each and every person acquiring any interest in or title to the premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by the provisions of Chapter 77, Section 18b of the Illinois Revised Statutes.

23. This Mortgage is subordinate and junior to the First Mortgage of the Authority.

CHICAGO TAG & LABEL, INC.

By *[Signature]*
Its: President

ATTEST

By *[Signature]*
Its: *[Signature]*

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STATE OF Illinois)
COUNTY OF Cook) ss.

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The foregoing instrument was acknowledged before me this 9th day of December, 1985, by F. Paul Valenti, Jr. and Laurence Barasa, personally known to me to be the President and Secretary of Chicago Tag & Label, Inc., an Illinois corporation, on behalf of the corporation.

Benjamin P. Johnson
Notary Public in and for
Cook County, Illinois

(SEAL)

My commission expires: Feb. 1, 1986

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Property of Cook County Clerk's Office

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SCHEDULE A

DESCRIPTION OF REAL PROPERTY

LOTS 6 THROUGH 13, BOTH INCLUSIVE, IN BLOCK 2 IN FRAZER'S SUB-DIVISION OF THE NORTH EAST ¼ OF THE NORTH WEST ¼ OF THE SOUTH WEST ¼ IN SECTION 13, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

X 16-13-301-043 (12 & 13)
16-13-301-011 (6)
16-13-301-041 (7)
16-13-301-044 (8, 9, 10, 11) *rs*

302/9 W. F. HARRISON S.H.

Mail to:

Rogene V Tubman
DeHann & Richter
35 W. Monroe Suite 1000
Chicago Illinois 60603

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