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COOK COUNTY, ILLINOIS
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SUBORDINATED MORTGAGE

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THIS MORTGAGE is made as of this 10th day of May, 1990, by and between PSW INDUSTRIES, INC., a Delaware corporation (herein called "Mortgagor"), whose address is 3912 West McLean Avenue, Chicago, Illinois 60647, and KIENLE & SPIESS STANZ-UND DRUCKGIESSWERK, a private company, (GMBH) organized under the laws of the Federal Republic of Germany (herein called the "Mortgagee").

WHEREAS, Mortgagor is indebted to the Mortgagee under a certain Promissory Note of even date herewith in the principal sum of Two Million, Two Hundred Forty-Four Thousand and 00/100 Dollars (\$2,144,000.00) (the "Note"), payable to the order of and delivered to the Mortgagee, in and by which Note the Mortgagor promises to pay such principal sum and interest at the rate and in installments as provided in such Note, with a final payment of the balance due on May 10, 1994; and

WHEREAS, this Mortgage subject and subordinate to certain mortgages and certain financing statements on the Premises both executed and delivered by Mortgagor to American National Bank and Trust Company (the "Bank"), and each dated January 20, 1989, one of which securing a maximum principal indebtedness in the amount of Three Million, Two Hundred Thousand and 00/100 Dollars (\$3,200,000.00) (the "Term Loan") and interest thereon as provided therein and one of which securing a maximum indebtedness in the amount of Five Million, Five Hundred Thousand and No/100 Dollars (\$5,500,000) and interest thereon provided there (the "Revolving Loan") (the "First Mortgages"), in accordance with the terms of that certain Intercreditor Agreement among the Bank, Mortgagor and Mortgagee and dated May 10, 1990.

WHEREAS, the indebtedness evidenced by the Note, including the principal thereof and interest thereon, and any extensions and renewals thereof, in whole or in part and any and all other sums which may be at any time due or owing or required to be paid as herein or in the Note provided, are herein called the "Indebtedness Hereby Secured".

NOW, THEREFORE, WITNESSETH:

That to secure the payment of the principal of and interest on the Note according to its tenor and effect and to secure the payment of all other Indebtedness Hereby Secured and the performance and observance of all the covenants, provisions and agreements herein and in the Note contained (whether or not the Mortgagor is personally liable for such payment, performance and

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observance) and in consideration of the premises and Ten Dollars (\$10) in hand paid by the Mortgagee to the Mortgagor, and for other good and valuable considerations, the receipt and sufficiency of all of which are hereby acknowledged by the Mortgagor, the Mortgagor does hereby MORTGAGE, GRANT and CONVEY unto the Mortgagee all of its rights and interests in the property hereinafter described (all herein together called the "Premises"):

- (a) The real estate (herein called the "Real Estate") described in Exhibit A attached hereto and made a part hereof;
- (b) All buildings and other improvements of every nature whatsoever now or at any time hereafter owned by Mortgagor and on, used, intended to be used, constructed or erected upon or located at the Real Estate, together with and including, but not limited to, all fixtures, equipment, machinery, appliances and other articles and attachments now or hereafter forming part of, attached to or incorporated in any such buildings or improvements (all herein generally called the "Improvements");
- (c) All privileges, reservations, allowances, hereditaments, tenements and appurtenances now or hereafter belonging or pertaining to the Real Estate or Improvements;
- (d) All leasehold estates, right, title and interest of Mortgagor in any and all leases, subleases, arrangements or agreements relating to the use and occupancy of the Real Estate and Improvements or any portion thereof, now or hereafter existing or entered into (all herein generally called "Leases"), together with all cash or security deposits, advance rentals and other deposits or payments of similar nature given in connection with any Leases;
- (e) All rents, issues, profits, royalties, income, avails and other benefits now or hereafter derived from the Real Estate and Improvements, under Leases or otherwise (all herein generally called "Rents"), subject to the right, power and authority given to the Mortgagor in the Assignment hereinafter referred to, to collect and apply the rents;
- (f) Any interest, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Real Estate and Improvements or other rights, interests or properties comprising the Premises now owned or hereafter acquired;

- (g) All the estate, interest, right, title or other claim or demand which Mortgagor now has or may hereafter have or acquire with respect to (i) the proceeds of insurance in effect with respect to the Premises and (ii) any and all awards, claims for damages and other compensation made for or consequent upon the taking by condemnation, eminent domain or any like proceeding, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Premises, including, without limitation, any awards and compensation resulting from a change of grade of streets and awards and compensation for severance damages (all herein generally called "Awards") and Mortgagor hereby appoints Mortgagee its attorney-in-fact and authorizes Mortgagee, at its option, on behalf of Mortgagor, or the heirs, executors, legal representatives, successors or assigns of Mortgagor, to adjust, compromise, claim, collect and receive such proceeds, to give proper acquaintance therefor, and, after deducting expenses of collection, to apply the net proceeds as a credit upon any portion, as selected by Mortgagee of the Indebtedness, notwithstanding the fact that the same may not then be due or that the Indebtedness is otherwise adequately secured.

TO HAVE AND TO HOLD the Premises hereby mortgaged and conveyed or intended so to be, together with the rents, issues and profits thereof, unto the Mortgagee forever, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois (which rights and benefits are hereby expressly released and waived) and subject to the exceptions to title contained in Exhibit B attached hereto and made a part hereof (the "Permitted Exceptions"), for the uses and purposes herein set forth, together with all right to retain possession of the Premises after any default in the payment of all or any part of the Indebtedness Hereby Secured, or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default as hereinafter defined.

FOR THE PURPOSE OF SECURING:

- (a) Payment of the indebtedness with interest thereon evidenced by the Note and any and all modifications, extensions and renewals thereof, and all other Indebtedness Hereby Secured;
- (b) Performance and observance by Mortgagor of all of the terms, provisions, covenants and agreements on Mortgagor's part to be performed and observed hereunder.

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PROVIDED, NEVERTHELESS, and these presents are upon the express condition that if all of the Indebtedness Hereby Secured shall be duly and punctually paid and all the terms, provisions, conditions and agreements herein contained on the part of the Mortgagor to be performed or observed shall be strictly performed and observed, then this Mortgage and the estate, right and interest of the Mortgagee in the Premises shall cease and become void and of no effect.

AND IT IS FURTHER AGREED THAT:

1. Payment of Indebtedness. The Mortgagor will duly and promptly pay each and every installment of the principal of and interest on the Note, and all other Indebtedness Hereby Secured, as the same become due, and will duly perform and observe all of the covenants, agreements and provisions herein or in the Note provided on the part of the Mortgagor to be performed and observed.

2. Maintenance, Repair, Restoration, Prior Liens, Parking. The Mortgagor will:

- (a) Subject to Sections 6 and 7, promptly repair, restore or rebuild any Improvements now or hereafter existing on the Premises which may become damaged or be destroyed;
- (b) Keep the Premises in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims or other liens or claims for lien not expressly subordinated to the lien hereof;
- (c) Pay, when due, any indebtedness which may be secured by a lien or charge on the Premises on a parity with or superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such lien to the Mortgagee;
- (d) Complete, within a reasonable time, any Improvements now or at any time in the process of erection upon the Premises;
- (e) Comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and the use thereof;
- (f) Make no material alterations in the Premises, except as required by law or municipal ordinance, without Mortgagee's prior written consent, which consent shall not be unreasonably withheld or delayed;

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- (g) Suffer or permit no change in the general nature of the occupancy of the Premises without the Mortgagee's prior written consent, which consent shall not be unreasonably withheld or delayed;
- (h) Pay when due all operating costs of the Premises;
- (i) Initiate or acquiesce in no zoning reclassification with respect to the Premises without the Mortgagee's prior written consent, which consent shall not be unreasonably withheld or delayed;
- (j) Not reduce, build upon, obstruct, redesignate or relocate any sidewalks, aisles, streets, paved areas or rights-of-way or lease or grant any rights to use the same to any other person except tenants and invitees of tenants of the Premises without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld or delayed.

3. Taxes. The Mortgagor will pay when due and before any penalty attaches, all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes"), whether or not assessed against the Mortgagor, if applicable to the Premises or any interest therein, or the Indebtedness Hereby Secured, or any obligation or agreement secured hereby; and Mortgagor will, upon written request, furnish to the Mortgagee duplicate receipts therefor; provided that the Mortgagor may contest the amount or propriety of any Taxes in accordance with the provisions of Section 25 hereof; provided that (a) in the event that any law or court decree has the effect of deducting from the value of land for the purposes of taxation any lien thereon, or imposing upon the Mortgagee the payment in whole or any part of the Taxes or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of the Mortgagee in the Premises or the manner of collection of Taxes, so as to affect this Mortgage or the Indebtedness Hereby Secured or the holder thereof, then, and in any such event, the Mortgagor upon demand by the Mortgagee, will pay such Taxes, or reimburse the Mortgagee therefor and (b) nothing in this Section contained shall require the Mortgagor to pay any income, franchise or excise tax imposed upon the Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes on the Premises, and then only in an amount computed as if the Mortgagee derived no income from any source other than its interest hereunder.

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4. Insurance Coverage. The Mortgagor will insure and keep insured the Premises and each and every part and parcel thereof against such perils and hazards as the Mortgagee may from time to time require, and in any event including:

- (a) Insurance against loss to Improvements caused by fire, lightning and risks covered by the so-called "all perils" endorsement and such other risks as the Mortgagee may reasonably require;
- (b) Comprehensive general public liability insurance against bodily injury and property damage in any way arising in connection with the Premises with such limits as the Mortgagee may reasonably require;
- (c) Rent and rental value insurance (or, at the discretion of the Mortgagee, business interruption insurance) in amounts sufficient to pay during any period of up to one (1) year in which the Improvements may be damaged or destroyed: (i) all rents derived from the Premises and (ii) all amounts (including, but not limited to, all taxes, assessments, utility charges and insurance premiums) required herein to be paid by the Mortgagor or by tenants of the Premises;
- (d) Broad form boiler and machinery insurance on all equipment and objects customarily covered by such insurance (if any thereof are located at the Premises), providing for full repair and replacement cost coverage, and other insurance of the types and in amounts as the Mortgagee may reasonably require, but in any event not less than that customarily carried by persons owning or operating like properties;
- (e) During the making of any alterations or improvements to the Premises (i) insurance covering claims based on the owner's contingent liability not covered by the insurance provided in subsection (b) above and (ii) Workmen's Compensation insurance covering all persons engaged in making such alterations or improvements.

5. Insurance Policies. All policies of insurance to be maintained and provided as required by Section 4 hereof shall:

- (a) Be in forms, companies and amounts reasonably satisfactory to Mortgagee, and all policies of casualty insurance shall have attached thereto mortgagee clauses or endorsements in favor of and with loss payable to Mortgagee;

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- (b) Contain endorsements that no act or negligence of the insured or any occupant and no occupancy or use of the Premises for purposes more hazardous than permitted by the terms of the policies will affect the validity or enforceability of such policies as against Mortgagee;
- (c) Be written in amounts sufficient to prevent Mortgagor from becoming a co-insurer; and
- (d) Provide for thirty (30) days' prior written notice of cancellation to Mortgagee;

and Mortgagor will deliver all policies together with the required endorsements, and including additional and renewal policies to Mortgagee, and in case of insurance policies about to expire, the Mortgagor will deliver renewal policies not less than thirty (30) days prior to the respective dates of expiration.

6. Proceeds of Insurance. The Mortgagor will give the Mortgagee prompt notice of any damage to or destruction of the Premises, and subject to the provisions of the First Mortgages (as hereinafter defined):

- (a) In case of loss covered by policies of insurance, the Mortgagor is hereby authorized to settle and adjust any claim under such policies without the consent of the Mortgagee;
- (b) In the event of any damage to or destruction of the Premises or any part thereof (herein called an "Insured Casualty"), the Mortgagor may, at its option (i) apply the proceeds of insurance toward the cost of restoring, repairing, replacing or rebuilding (herein generally called "Restoring") the Premises or any part thereof subject to Insured Casualty, as provided for in Section 8; or (ii) apply the proceeds against the unpaid balance of the Note.
- (c) No premium or penalty shall be payable in connection with any prepayment of the Indebtedness Hereby Secured made out of insurance proceeds as aforesaid;
- (d) In the event that proceeds of insurance, if any, shall be applied by the Mortgagor for the Restoring of the Premises, Mortgagor hereby covenants to restore the same to be of at least equal value and of substantially the same character as prior to such damage or destruction; all to be effected in accordance with plans and specifications to be first submitted to and approved by the Mortgagee, which approval shall not be unreasonably withheld.

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7. Condemnation. The Mortgagor will give Mortgagee prompt notice of any proceedings, instituted or threatened, seeking condemnation or taking by eminent domain or any like process (herein generally called a "Taking"), of all or any part of the Premises, including damages to grade; and subject to the provisions of the First Mortgages:

- (a) Mortgagor agrees that it shall not settle, compromise or adjust any claim for a condemnation award without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld;
- (b) Mortgagor may in its sole discretion, (i) apply all proceeds against the unpaid balance of the Note, and any and all sums due under this Mortgage or the Assignment, or may (ii) apply such funds toward the cost of restoring the portion of the Premises remaining after such taking, as provided for in Section 8 hereof;
- (c) No premium or penalty shall be payable in connection with any prepayment of the Indebtedness Hereby Secured made out of any Award as aforesaid;
- (d) In the event that any Award shall be applied by the Mortgagor for Restoring the portion of the Premises remaining after a Taking, Mortgagor hereby covenants to restore the remaining portion of the Premises to be of at least equal value and of substantially the same character as prior to such Taking, all to be effected in accordance with plans and specifications to be first submitted to and Approved by Mortgagee, which approval shall not be unreasonably withheld;

8. Disbursement of Insurance Proceeds and Condemnation Awards. In the event the Mortgagor applies insurance proceeds or any Award toward the cost of Restoring, such proceeds shall be disbursed from time to time upon the Mortgagee being furnished with satisfactory evidence of the estimated cost of completion of the Restoring, with funds (or assurances satisfactory to the Mortgagee that such funds are available) sufficient in addition to the proceeds of insurance or Award, to complete the proposed Restoring, and with such architect's certificates, waivers of lien, contractor's sworn statements and such other evidences of cost and of payment as the Mortgagee may reasonably require and approve; and the Mortgagee may, in any event, require that all plans and specifications for such Restoring be submitted to and approved by the Mortgagee prior to commencement of work. No payment made prior to the final completion of the Restoring shall exceed ninety percent (90%) of the value of the work performed from time to time; funds other than proceeds of insurance or the Award shall be

disbursed prior to disbursement of such proceeds; and at all times the undisbursed balance of such proceeds remaining in the hands of the Mortgagor, together with funds deposited for the purpose or irrevocably committed to the satisfaction of the Mortgagee by or on behalf of the Mortgagor for the purpose, shall be at least sufficient in the reasonable judgment of the Mortgagee to pay for the cost of completion of the Restoring, free and clear of all liens or claims for lien.

9. Stamp Tax. If, by the laws of the United States of America, or of any state having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note, the Mortgagor shall pay such tax in the manner required by such law.

10. Prepayment Privilege. At such time as the Mortgagor is not in default under the terms of the Note, or under the terms of this Mortgage, the Mortgagor shall have the privilege of making prepayments on the principal of the Note (in addition to the required payments thereunder) in accordance with the terms and conditions set forth in the Note but not otherwise.

11. Effect of Extensions of Time, Amendments on Junior Liens and Others. If the payment of the Indebtedness Hereby Secured, or any part thereof, be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability, if any, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage or other lien upon the Premises or any interest therein, shall take the said lien subject to the rights of the Mortgagee herein to amend, modify and supplement this Mortgage, the Note and the Assignment hereinafter referred to, and to vary the rate of interest and the method of computing the same, and to impose additional fees and other charges, and to extend the maturity of the Indebtedness Hereby Secured, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien. Nothing in this Section contained shall be construed as waiving any provision of Section 16 hereof which provides, among other things, that it shall constitute an Event of Default if the Premises be sold, conveyed or encumbered.

12. Effect of Changes in Tax Laws. In the event of the enactment after the date hereof by any legislative authority having jurisdiction of the Premises of any law deducting from the value of land for the purposes of taxation, any lien thereon, or imposing

upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by the Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the method of collecting taxes, so as to affect this Mortgage or the Indebtedness Hereby Secured, or the holder thereof, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided that if in the opinion of counsel for the Mortgagee the payment by Mortgagor of any such taxes or assessments shall be unlawful, then the Mortgagee may, by notice to the Mortgagor, declare the entire principal balance of the Indebtedness Hereby Secured to be due and payable on a date specified in such notice not less than 180 days after the date of such notice, and the Indebtedness Hereby Secured shall then be due and payable without premium or penalty on the date so specified in such notice.

13. Mortgagee's Performance of Mortgagor's Obligations. In case of default therein, the Mortgagee either before or after acceleration of the Indebtedness Hereby Secured or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act hereinafter referred to, which is required of the Mortgagor (whether or not the Mortgagor is personally liable therefor) in any form and manner deemed expedient to the Mortgagee; and the Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises, or contest any tax or assessment, and may, but shall not be required to, complete construction, furnishing and equipping of the Improvements upon the Premises and rent, operate and manage the Premises and such Improvements and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises and Improvements shall be operational and usable for their intended purposes. All monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including attorney's fees and any other monies advanced by the Mortgagee to protect the Premises and the lien hereof, or to complete construction, furnishing and equipping or to rent, operate and manage the Premises and such Improvements or to pay any such operating costs and expenses thereof or to keep the Premises and Improvements operational and usable for their intended purposes, shall be so much additional Indebtedness Hereby Secured, whether or not they exceed the amount of the Note, and shall become immediately due and payable without notice, and with interest thereon at the Default Rate specified in the Note (herein called the "Default Rate"). Inaction of the Mortgagee shall never be considered a waiver of any right accruing to it on account of

any default on the part of the Mortgagor. The Mortgagee, in making any payment hereby authorized (a) relating to taxes and assessments, may do so according to any bill, statement or estimate, upon reasonable inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, compromise or settlement of any other prior lien, may do so upon reasonable inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Improvements or the Premises or the rental, or operation or management of the Premises or the payment of operating costs and expenses thereof, Mortgagee may do so in such amounts and to such persons as Mortgagee may deem appropriate and may enter into such contracts therefor as Mortgagee may deem appropriate or may perform the same itself.

14. Inspection of Premises. The Mortgagee shall have the right to inspect the Premises at all reasonable times upon at least 24 hours prior notice to Mortgagor, and access thereto shall be permitted for that purpose.

15. Restrictions on Transfer. It shall be an immediate Event of Default and default hereunder if, without the prior written consent of the Mortgagee, the Mortgagor shall create, effect, contract for, commit to or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Premises or any part thereof, or interest therein; whether any such above conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided that the foregoing provisions of this Section 15 shall not apply (i) to liens securing the Indebtedness Hereby Secured, (ii) to the lien of current taxes and assessments not in default and (iii) liens created in connection with the Permitted Exception. Mortgagee may condition its consent upon such increase in rate of interest payable upon the Indebtedness Hereby Secured, change in monthly payments thereon, change in maturity thereof and/or the payment of a fee, all as Mortgagee may in its sole discretion require. The provisions of this Section 15 shall be operative with respect to and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall subsequently acquire any part of or interest in or encumbrance upon the Premises, or any beneficial interest therein.

16. Events of Default. If one or more of the following events (herein called "Events of Default") shall occur:

- (a) If default is made in the due and punctual payment of the Note or any installment thereof, either principal or interest, as and when the same is due and payable, and

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such default shall continue for five (5) days after notice of same to Mortgagor; or

- (b) If an Event of Default pursuant to Section 15 hereof shall occur and be continuing without notice or period of grace of any kind; or
- (c) If default is made in the maintenance and delivery to Mortgagee of insurance required to be maintained and delivered hereunder, without notice or grace of any kind; or
- (d) If (and for the purpose of this Section 16(d) only, the term Mortgagor shall mean and include not only Mortgagor but each person who, as guarantor, co-maker or otherwise shall be or become liable for or obligated upon all or any part of the Indebtedness Hereby Secured or any of the covenants or agreements contained herein).
 - (i) The Mortgagor shall file a petition in voluntary Bankruptcy under the Bankruptcy Code of the United States or any similar law, state or federal, now or hereafter in effect, or
 - (ii) The Mortgagor shall file an answer admitting insolvency or inability to pay its debts, or
 - (iii) Within sixty (60) days after the filing against Mortgagor of any involuntary proceedings under such Bankruptcy Code or similar law, such proceedings shall not have been vacated or stayed, or
 - (iv) The Mortgagor shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for the Mortgagor or for all or the major part of the Mortgagor's property or the Premises, in any involuntary proceeding, or any court shall have taken jurisdiction of all or the major part of the Mortgagor's property or the Premises in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor, and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days, or
 - (v) The Mortgagor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the appointment of a

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receiver or trustee or liquidator of all or the major part of its property, or the Premises; or

- (e) If any foreclosure proceedings shall be commenced under the provisions of the First Mortgages; or
- (f) If default shall continue for fifteen (15) days after notice thereof by the Mortgagee to the Mortgagor in the due and punctual performance or observance of any agreement or condition herein provided that if such default cannot be cured within such fifteen (15) day period, such period shall be tolled so long as Mortgagor actively and continuously attempts to cure such default; or
- (g) If the Premises shall be abandoned;

then the Mortgagee is hereby authorized and empowered at its option, and without affecting the lien hereby created or the priority of said lien or any right of the Mortgagee hereunder, to declare without further notice all Indebtedness Hereby Secured to be immediately due and payable, whether or not such default is thereafter remedied by the Mortgagor, and the Mortgagee may immediately proceed to foreclose this Mortgage and/or exercise any right, power or remedy provided by this Mortgage, the Note, or the Assignment or by law or in equity conferred.

17. Foreclosure. When the Indebtedness Hereby Secured, or any part thereof, shall become due, whether by acceleration or otherwise, the Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof and to exercise any other remedies of Mortgagee provided in The Note, the Security Agreement or this Mortgage or which Mortgagee may have at law, at equity or otherwise. In any suit or proceeding to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title, as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree, the true conditions of the title to or the value of the Premises. All expenditures and expenses of the nature in this Section mentioned, and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this

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Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by the Mortgagor, with interest thereon at the Default Rate.

18. Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Section 17 hereof; Second, all other items which, under the terms hereof, constitute Indebtedness Hereby Secured additional to that evidenced by the Note, with interest on such items as herein provided; Third, to interest remaining unpaid upon the Note; Fourth, to the principal remaining unpaid upon the Note; and lastly, any overplus to the Mortgagor, and its successors or assigns, as their rights may appear.

19. Receiver. Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the Court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale, without notice, without regard to solvency or insolvency of the Mortgagor at the time of application for such receiver, and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part of;

- (a) The Indebtedness Hereby Secured or the indebtedness secured by any decree foreclosing this Mortgage or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or
- (b) The deficiency in case of a sale and deficiency.

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20. Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in Restoring the Improvements, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that the Mortgagee's clause attached to each of the casualty insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in each such case made and provided, then in every such case, each and every successive redeemer may cause the preceding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, the Mortgagee is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

21. Waiver. The Mortgagor hereby covenants and agrees that it will not at any time insist upon or plead, or in any manner whatever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. The Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, excepting only decree or judgment creditors of the Mortgagor acquiring any interest or title to the Premises or beneficial interest in Mortgagor subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of the Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by the provisions of Chapter 110, Para. 12-124 and Para. 12-125 of the Illinois Statutes or other applicable law or replacement statutes. The Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power

or remedy herein or otherwise granted or delegated to the Mortgagee, but will suffer and permit the execution of every such right, power and remedy as though no such law or laws had been made or enacted.

22. Assignment. As further security for the Indebtedness Hereby Secured, the Mortgagor has, concurrently herewith, executed and delivered to the Mortgagee a separate instrument (herein called the "Assignment") dated as of the date hereof, wherein and whereby, among other things, the Mortgagor has assigned to the Mortgagee all of the rents, issues and profits and/or any and all leases and/or the rights of management of the Premises and/or of equipment used at the Premises all as therein more specifically set forth, which said Assignment is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length. The Mortgagor agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment. The Mortgagor further agrees that it will duly perform and observe all the terms and provisions on lessor's part to be performed and observed under any and all leases of the Premises to the end that no default on the part of lessor shall exist thereunder. Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of lessor under any lease of the Premises, and the Mortgagor shall and does hereby indemnify and hold the Mortgagee harmless from any and all liability, loss or damage which the Mortgagee may or might incur under any lease of the Premises or by reason of the Assignment (except for losses resulting from Mortgagee's negligence or wilful misconduct); and any and all such liability, loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee in the defense of any claims or demands (whether successful or not), shall be so much additional Indebtedness Hereby Secured, and the Mortgagor shall reimburse the Mortgagee therefor on demand, together with interest at the Default Rate from the date of demand to the date of payment.

23. Security Agreement.

- (a) This Mortgage shall be construed as a mortgage of real property and it shall also constitute a "Security Agreement" within the meaning of, and shall create a security interest under, the Illinois Uniform Commercial Code (the "UCC"), in the Improvements and the Leases and Rents.
- (b) Mortgagor hereby grants to Mortgagee a security interest under the UCC in the Improvements and the Leases and Rents, and Mortgagee shall have all rights with respect thereto afforded to it by the UCC, in addition to, but not in limitation of, the

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other rights afforded to Mortgagee by this Mortgage and the Note.

- (c) Mortgagor agrees to and shall execute and deliver to Mortgagee, in form satisfactory to Mortgagee, such "Financing Statements", if any, and such further assurances as Mortgagee may, from time to time, consider reasonably necessary to create, perfect and preserve Mortgagee's liens upon the Improvements and the Leases and Rents, and Mortgagee, at the expense of Mortgagor, may or shall cause such statements and assurances to be recorded and re-recorded, filed and re-filed, at such times and places as may be required or permitted by law to so create, perfect and preserve such liens.

24. Right of Possession. When the Indebtedness Hereby Secured shall become due, whether by acceleration or otherwise, or if Mortgagee has a right to institute foreclosure proceedings, Mortgagor shall, forthwith upon demand of Mortgagee, surrender to lender, and Mortgagee shall be entitled to be placed in possession of the Premises as provided in the Illinois Mortgage Foreclosure Act, Ill. Rev. Stat. ch 110, para. 15-101 (1987) (the "Act"), and Mortgagee, in its discretion and pursuant to court order, may enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Mortgagor or the then owner of the Premises relating thereto, and may exclude Mortgagor, such owner, and any agents and servants thereof wholly therefrom and may, on behalf of Mortgagor or such owner, or in its own name as Mortgagee and under the powers herein granted:

- (a) Hold, operate, manage, and control all or any part of the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as Mortgagee may deem necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Premises, including without limitation actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor;
- (b) Cancel or terminate any Lease or sublease of all or any part of the Premises for any cause or on any ground that would entitle Mortgagor to cancel the same;
- (c) Elect to disaffirm any Lease or sublease of all or any part of the Premises made subsequent to this Mortgage without Mortgagee's prior written consent;

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- (d) Extend or modify any then existing Leases and make new Leases of all or any part of the Premises, which extensions, modifications, and new Leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the loan evidenced by the Note and the issuance of a deed to a purchaser at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Premises are subject to the lien hereof, and the purchaser at any foreclosure sale, notwithstanding any redemption from sale, reinstatement, discharge of the Indebtedness Hereby Secured, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;
- (e) Make all necessary or proper repairs, decoration renewals, replacements, alterations, additions, betterments, and improvements in connection with the Premises as may seem judicious to Mortgagee, to insure and reinsure the Property and all risks incidental to Mortgagee's possession, operation, and management thereof, and to receive all rents, issues, deposits, profits, and avails therefrom; and
- (f) Apply the net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, to the payment of taxes, insurance policy premiums and other charges applicable to the Premises, or in reduction of the Indebtedness Hereby Secured in such order and manner as Mortgagee shall select.

25. Environmental Matters. Mortgagor covenants and agrees that, it will manage and operate the Premises and will cause each tenant to occupy its demised portion of the Premises in compliance with, all federal, state and local laws, rules, regulations and ordinances regulating, without limitation, air pollution, soil and water pollution, and the use, generation, storage, handling or disposal of hazardous or toxic substances or other materials (including, without limitation, raw materials, products, supplies or wastes). Mortgagor further covenants and agrees that it shall not install or permit to be installed in the Premises asbestos or any substance containing asbestos and deemed hazardous by or in violation of federal, state or local laws, rules, regulations or orders respecting such material. Mortgagor shall send to Mortgagee within five (5) days of receipt or completion thereof, any report, citation, notice or other writing including, without limitation,

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may furnish to Mortgagee a bond or title indemnity in such amount and form, and issued by a bond or title insuring company, as may be satisfactory to Mortgagee; provided, however, Mortgagee shall not require Mortgagor to deposit the Lien Amount or provide title indemnity to the extent the same has been provided to the Banks with respect to the Contested Liens in issue;

- (c) Mortgagor shall diligently prosecute the contest of any Contested Lien by appropriate legal proceedings having the effect of staying the foreclosure or forfeiture of the Premises, and shall permit Mortgagee to be represented in any such contest and shall pay all reasonable expenses incurred by Mortgagee in so doing, including reasonable fees and expenses of Mortgagee's counsel (all of which shall constitute so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand);
- (d) Mortgagor shall pay such Contested Lien and all Lien Amounts together with interest and penalties thereon (i) if and to the extent that any such Contested Lien shall be determined adverse to Mortgagor, or (ii) forthwith upon demand by mortgagee if, in the reasonable opinion of Mortgagee, and notwithstanding any such contest, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed: provided that if Mortgagor shall fail so to do, Mortgagee may, but shall not be required to, pay all such Contested Liens and Lien Amounts and interest and penalties thereon and such other sums as may be necessary in the judgment of the Mortgagee to obtain the release and discharge of such liens; and any amount expended by Mortgagee in so doing shall be so much additional Indebtedness Hereby Secured bearing interest at the Default Rate until paid, and payable upon demand; and provided further that Mortgagee may in such case use and apply for the purpose monies deposited as provided in Subsection 25(b) above and may demand payment upon any bond or title indemnity furnished as aforesaid.

29. Rights Cumulative. Each right, power and remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing

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hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

30. Successor and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every from time to time record owner of the Premises or any other person having an interest therein) and shall inure to the benefit of the Mortgagee and its successors and assigns. Wherever herein the Mortgagee is referred to, such reference shall be deemed to include the holder from time to time of the Note, whether so expressed or not; and each such from time to time holder of the Note shall have and enjoy all of the rights, privileges, powers, options, benefits and security afforded hereby and hereunder, and may enforce every and all of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder was herein by name specifically granted such rights, privileges, powers, options, benefits and security and was herein by name designated the Mortgagee.

31. Provisions Severable. The unenforceability or invalidity of any provision or provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

32. Waiver of Defense. No action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note.

33. Captions and Pronouns. The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular number shall include the plural, the plural shall include the singular and the masculine, feminine and neuter genders shall be freely interchangeable.

34. Notices. All notices, requests, demands and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been given when received, if delivered in person, or three (3) business days following the mailing thereof, if mailed by certified first class mail, postage prepaid, return receipt requested, as follows:

If to K&S, to: Kienle & Spiess Stanz-und
 Druckgiesswerk, GmbH
 Bahnhofstr.23
 D-7.23 Sachsenheim 1
 Federal Republic of Germany

Attention: Herr Siegfried Klett

with a copy to: McBride Baker & Coles
Northwestern Atrium Center
500 West Madison, 40th Floor
Chicago, Illinois 60606
Attention: David Ackerman

and

Clark Whitehill
25 New Street
London, England EC4 A3LN
Attention: David W. Davis

If to the
Company to: PSW Industries, Inc.
3912 West McLean Avenue
Chicago, Illinois 60647
Attention: Gary C. Wagner

with a copy to: Kirkland & Ellis
55 East 52nd Street
Suite 1600
New York, New York 10055
Attention: Kirk Wickman

or at such other address or addresses as any party may have advised in the manner provided in this paragraph.

35. Estoppel Affidavits. Mortgagor, upon ten (10) days' prior written notice, shall furnish Mortgagee a written statement setting forth the unpaid principal balance and accrued interest on the indebtedness, stating whether or not any defenses exist to enforcement of the Note, the Mortgage or the Assignment, and, if such defenses exist, stating in detail the specific facts relating to each such defense.

36. Subordination. WHEREAS, this Mortgage is a second mortgage subject and subordinate to the First Mortgages, in accordance with the terms of the Intercreditor Agreement. So long as the First Mortgages are in effect, (a) notwithstanding anything to the contrary contained in Sections 4 or 5 of this Mortgage, the Mortgagee agrees that its requirements with respect to the type, amounts and limits of insurance coverage of the form, companies, amounts and endorsements of insurance policies shall not be inconsistent with the requirements of the Bank; and (b) notwithstanding anything to the contrary contained in Sections 6, 7 or 8 of this Mortgage, in the event of damage or destruction of the Premises or the condemnation or taking by eminent domain of all or any part of the Premises, Mortgagee's consent or approval under

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said Sections shall be deemed to be given provided that the Bank has given its approval.

37. Governing Law. The place of negotiation, execution, and delivery of this Mortgage and the location of the Premises being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State, without reference to the conflicts of law principles of that State. If any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

IN WITNESS WHEREOF, this Mortgage has been executed on the date first above written.

PSW INDUSTRIES, INC.

By: 

David J. Petersen, President

Attest: 

Susan Capadona, Secretary

This instrument was prepared by and should be mailed to:

David Ackerman
McBride, Baker & Coles
Northwestern Atrium Center
500 W. Madison Street
40th Floor
Chicago, Illinois 60606
(312) 715-5700

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EXHIBIT A

PARCEL 1:

LOTS 4 TO 9, BOTH INCLUSIVE, AND LOTS 29 AND 37, BOTH INCLUSIVE AND LOTS 39 TO 53, BOTH INCLUSIVE, (EXCEPT THE NORTH 4 FEET OF LOTS 51 TO 53, BOTH INCLUSIVE DEDICATED FOR PUBLIC STREET PURPOSES BY PLAT OF DEDICATION RECORDED SEPTEMBER 29, 1966 AS DOCUMENT 19956481) IN PRICE AND MOSS SUBDIVISION OF THE SOUTH WEST 1/4 OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

ALL THAT PART OF THE EAST AND WEST 16 FOOT VACATED ALLEY LYING SOUTH OF AND ADJOINING LOTS 4 TO 9, BOTH INCLUSIVE AND LYING NORTH OF AND ADJOINING LOTS 30 TO 37, BOTH INCLUSIVE, IN PRICE AND MOSS SUBDIVISION OF THE SOUTH WEST 1/4 OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE NORTH 1/2 OF VACATED MCLEAN AVENUE LYING SOUTH OF AND ADJOINING LOTS 29 TO 37, BOTH INCLUSIVE AND THE SOUTH 1/2 VACATED MCLEAN AVENUE LYING NORTH OF AND ADJOINING LOTS 39 TO 50, BOTH INCLUSIVE, IN PRICE AND MOSS SUBDIVISION OF THE SOUTH WEST 1/4 OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN # 13-35-123011, 024, 036, 038, 040, 042,
079, 023, 035, 037, 039,
041 and 066

3912 W. MC LEAN Chicago, Illinois

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EXHIBIT B

PERMITTED EXCEPTIONS

1. MORTGAGED DATE JANUARY 20, 1989 AND RECORDED JANUARY 20, 1989 AS DOCUMENT 89032298 MADE BY PSW INDUSTRIES, INC., A DELAWARE CORPORATION, TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, TO SECURE A NOTE FOR \$3,200,000.00.
2. MORTGAGE DATED JANUARY 20, 1989 AND RECORDED JANUARY 20, 1989 AS DOCUMENT 89032299 MADE BY PSW INDUSTRIES, INC. TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO TO SECURE A NOTE FOR \$5,500,000.00.
3. EASEMENT IN, UPON, UNDER, OVER AND ALONG THE EAST AND WEST 16 FOOT WIDE PUBLIC ALLEY OF THE LAND TO INSTALL AND MAINTAIN ALL EQUIPMENT FOR THE PURPOSE OF SERVING THE LAND AND OTHER PROPERTY WITH TELEPHONE AND ELECTRIC SERVICE, TOGETHER WITH RIGHT OF ACCESS TO SAID EQUIPMENT AS CREATED BY GRANT TO THE COMMONWEALTH EDISON COMPANY AND THE ILLINOIS BELL TELEPHONE COMPANY RECORDED FEBRUARY 28, 1985 AS DOCUMENT 27457678. (AFFECTS PARCEL 2)
4. AGREEMENT MADE BY AND BETWEEN MSL INDUSTRIES AND PEOPLES GAS GRANTING, PEOPLES GAS THE RIGHT TO OPERATE, MAINTAIN, REPAIR, REMOVE OR ABANDON IN PLACE A 6 INCH GAS MAIN AND 2 INCH SERVICE PIPES FOR SO LONG AS THE SAID 6 INCH GAS MAIN IS REQUIRED CONTAINED IN AGREEMENT RECORDED DECEMBER 7, 1966 AS DOCUMENT 20017187.
5. UNRECORDED UTILITY EASEMENT IN FAVOR OF PEOPLES GAS LIGHT AND COKE COMPANY IN THAT PART OF VACATED MCLEAN AVENUE AS DISCLOSED BY UTILITY LETTER DATED MARCH 5, 1987 BY S.A. MALEK.
6. UNRECORDED UTILITY EASEMENT IN FAVOR OF COMMONWEALTH EDISON AS DISCLOSED BY UTILITY LETTER DATED MARCH 3, 1987 BY W. R. LESS.
7. UNRECORDED UTILITY EASEMENT IN FAVOR OF THE CITY OF CHICAGO DEPARTMENT OF WATER IN THAT PART OF VACATED MCLEAN AVENUE AS DISCLOSED BY UTILITY LETTER DATED MARCH 5, 1987 BY LESTER S. DICKINSON.
8. ENCROACHMENT OF THE ONE STORY BRICK BUILDING LOCATED MAINLY ON THE LAND AND OVER AND ONTO THE LAND EAST AND ADJOINING BY 0.07 FEET AS DISCLOSED BY SURVEY MADE BY DEAN R. CROUSE AND ASSOCIATES, INC., DATED DECEMBER 3, 1986 ORDER NUMBER 864165, AND REVISED THROUGH JANUARY 11, 1989 ORDER NO. 891009.
9. ENCROACHMENT OF THE FENCE LOCATED MAINLY ON THE LAND WEST AND ADJOINING AND ONTO OUR LAND BY 0.44 FEET AS DISCLOSED BY SURVEY MADE BY DEAN R. CROUSE AND ASSOCIATES, INC., DATED DECEMBER 3, 1986 ORDER NUMBER 864165, AND REVISED THROUGH JANUARY 11, 1989 ORDER NO. 891009.

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10. SECURITY INTEREST OF AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, SECURED PARTY, IN CERTAIN DESCRIBED CHATTELS ON THE LAND, AS DISCLOSED BY FINANCING STATEMENT EXECUTED BY PSW INDUSTRIES, INC., DEBTOR, AND FILED ON JANUARY 23, 1989 AS NO. 89U01984.

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, PATRICIA M. EARNEST, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David J. Petersen personally known to me to be the President of PSW Industries, Inc., a Delaware corporation, and Susan Capadona personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and Secretary they signed and delivered the said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to the authority given by the Board of Directors of said corporation as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 10th day of May 10, 1990.

Patricia M. Earnest
Notary Public

My commission expires:

June 10, 1990

OFFICIAL SEAL
Patricia M. Earnest
Notary Public, State of Illinois
My Commission Expires June 10, 1990

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EXHIBIT A

EXHIBIT A ATTACHED TO FINANCING STATEMENT
EXECUTED BY PSW INDUSTRIES, INC., AS DEBTOR
IN FAVOR OF KIENLE & SPIESS STANZ-UND DRUCKGIESSWERK, GMBH,
AS SECURED PARTY

DEBTOR:
PSW Industries, Inc.
3912 West McLean Avenue
Chicago, Illinois 60647

SECURED PARTY:
Kienle & Spiess Stanz-und
Druckgiesswerk, GmbH
Bahnhofstr. 23
D-7.23 Sachsenheim 1
Federal Republic of Germany

This Financing Statement covers the following type (or items) of property:

- (a) All of Debtor's now existing or hereafter arising or acquired accounts (as defined in the Illinois Uniform Commercial Code), accounts receivable and other rights to payment, however created, including without limitation any right to payment for goods sold or leased or for service rendered, whether arising out of the sale of Debtor's now owned or hereafter acquired inventory or other property described in (b) below or otherwise, and whether or not it has been earned by performance, and any and all notes, drafts, acceptances, chattel paper, general intangibles and other obligations arising out of or representing a right to payment, however created, including without limitation of right to payment for goods sold or leased or for service rendered.
- (b) Debtor's now owned or hereafter acquired inventory and other goods, merchandise and other personal property held for sale or lease, or furnished or to be furnished under any contract of service, and all raw materials, work in process, component parts, supplies and materials, wherever located.
- (c) All of Debtor's now owned or hereafter acquired machinery, equipment, furniture, office supplies, furnishings and fixtures (which fixtures shall include without limitation "fixtures" as defined in the Illinois Uniform Commercial Code), all chattel paper and general intangibles relating to any of the foregoing (specifically, equipment and machinery leases and leasehold interest, licensing agreements and trade fixtures) and all tangible personal property similar to any of the foregoing, including without limitation tools, machine parts, aircraft, motor vehicles and rolling stock of every kind and description and all improvements, accessions or appurtenances thereto, and any process, substitutions or replacements (including any insurance proceeds and condemnation awards) thereof or therefor.

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- (d) All of Debtor's now owned or hereafter acquired general intangibles (as defined in the Illinois Uniform Commercial Code) and other intangible assets, including without limitation all tax refunds, tax refund claims, other refunds and refund claims, other claims, causes of action, indemnification rights, reversionary rights, contract rights, goodwill, covenants not to compete, prepaid expenses, trade secrets, computer programs, customer lists, trade names, service marks, trademarks applications and registrations, and guarantees, liens and security with respect to any property described in (a) above (excluding any government license, permits and approvals which terminate or become terminable if assigned by Debtor or if a security interest is granted by Debtor therein or in which it is unlawful for Debtor therein or in which it is unlawful for Debtor to grant a security interest).
- (e) All of Debtor's now owned or hereafter acquired instruments and chattel paper (as such terms are defined in the Illinois Uniform Commercial Code).
- (f) All of Debtor's deposit accounts with any financial institution.
- (g) All monies and any property of any kind of Debtor in the possession or under the control of Secured Party or a bailee of Secured Party.
- (h) All books and records (including without limitation computer programs, printouts and other computer materials and records) of Debtor pertaining to any of the foregoing.
- (i) All insurance policies related to any of the foregoing.
- (j) All products and proceeds (including without limitation cash collections and casualty, business interruption and other insurance proceeds) related to any of the foregoing.
- (k) All other now owned or hereafter acquired property of Debtor, including without limitation any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

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