

MORTGAGE AND SECURITY AGREEMENT

92-01758

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage"), made and delivered as of the 29th day of May, 1992, between PLASTIC SPECIALTIES AND TECHNOLOGIES, INC., a corporation organized under the laws of the State of Delaware, hereinafter called "Mortgagor", with an address at 101 Railroad Avenue, Ridgefield, New Jersey, and FIRST FIDELITY BANK, NATIONAL ASSOCIATION, NEW JERSEY, a national banking association organized under the Acts of Congress, with a place of business at 570 Broad Street, Newark, New Jersey, hereinafter called "Mortgagee".

DEPT-01 RECORDING \$105.00  
T:4444 TRAN 9729 06/03/92 15:08:00  
#3508 ID #92-389595  
COOK COUNTY RECORDER

WITNESSETH:

WHEREAS, Mortgagor and Mortgagee have entered into a Modified and Restated Loan and Security Agreement dated the date hereof (the "Loan Agreement"), the terms of which are incorporated herein, pursuant to which Mortgagor may obtain loans, advances and other financial accommodations from Mortgagee up to the outstanding principal sum of Fifty-Six Million and 00/100 Dollars (\$56,000,000.00) to be evidenced by Promissory Notes aggregating said principal amount, dated the date hereof (the "Notes"); and

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WHEREAS, to secure the payment and performance of all of its present and future obligations and liabilities to Mortgagee, including but not limited to those under the Loan Agreement and Notes, Mortgagor has agreed to execute and deliver the within Mortgage;

PREPARED BY:

Alan D. Wiener  
ALAN D. WIENER, ESQ.

**BOX 334**

Buro, LANCE, CROSS, ROSS, ROSS & SANDERSON, P.A.  
150 JOHN F. KENNEDY BOULEVARD  
SUITE 1000  
SACRAMENTO, CALIF. 95811-4000  
916/441-0999

105<sup>00</sup>  
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NOW, WITNESSETH, that Mortgagor for the better securing the observance, payment and performance by Mortgagor of all of its present and future obligations and liabilities to Mortgagee, direct and indirect, primary, secondary, contingent, joint or several, which are due or to become due, now existing or which in the future may be created, up to the principal sum of Fifty-Six Million and 00/100 Dollars (\$56,000,000.00) (the "Obligations"), including, but not limited to, those arising under or evidenced by the Loan Agreement and Notes and other present and future agreements and instruments, as same may from time to time be amended, modified, extended, substituted or renewed (collectively, the "Loan Documents"), and in order to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for and in consideration of the sum of One and 00/100 (\$1.00) Dollar paid by Mortgagee to Mortgagor this date, and for other valuable consideration, the receipt of which is acknowledged, Mortgagor does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto Mortgagee, its successors and assigns forever:

## THE MORTGAGED PROPERTY

(A) THE LAND: Mortgagor's fee simple title in all the land located in the City of Schiller Park, County of Cook and State of Illinois (hereinafter called the "Land"), described in Schedule "A" attached hereto and incorporated herein and made a part hereof.

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(B) THE IMPROVEMENTS: (1) All the buildings, structures and improvements of every nature whatsoever, now or hereafter situated on the Land, and (2) all fixtures, machinery, appliances, equipment, furniture and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on, or attached to, and used or intended to be used in connection with or with the operation of, the Land, buildings, structures or other improvements, or in connection with any construction being conducted or which may be conducted thereon, and owned by Mortgagor, and all extensions, additions, improvements, betterments, renewals, substitutions and replacements to any of the foregoing, and all of the right, title and interest of the Mortgagor in and to any such personal property or fixtures (hereinafter called the "Improvements").

(C) EASEMENTS: All easements, rights-of-way, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers, riparian and littoral rights, and all appurtenances whatsoever, in any way belonging, relating or appertaining to any of the mortgaged property described in paragraphs (A) and (B) hereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor.

(D) TOGETHER WITH: (1) All the estate, right, title and interest of Mortgagor of, in and to all judgments, insurance proceeds, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the

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mortgaged property described in paragraphs (A), (B) and (C) hereof, or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the mortgaged property described in paragraphs (A), (B) and (C) hereof, or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the mortgaged property described in paragraphs (A), (B) and (C) hereof, or any part thereof; and Mortgagee is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor, and (if it so elects) subject to the further provisions hereof and of the other Loan Documents, to apply the same toward the payment of the indebtedness and other sums secured hereby, notwithstanding the fact that the amount owing thereon may not then be due and payable; and (2) all contract rights, general intangibles, actions and rights in action, including without limitation all rights to insurance proceeds and unearned premiums arising from or related to the mortgaged property described in paragraphs (A), (B) and (C) hereof; and (3) all proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the mortgaged property described in paragraphs (A), (B) and (C) hereof.

(E) TOGETHER WITH all rents, income and other benefits to which Mortgagor may now or hereafter be entitled from the mortgaged property described in paragraphs (A), (B), (C) and (D) hereof, to be applied against the indebtedness and other sums secured hereby.

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The foregoing provisions hereof shall constitute an absolute and present assignment of the rents, income and other benefits from the mortgaged property described in paragraphs (A), (B), (C) and (D) above.

(F) TOGETHER WITH all right, title and interest of the Mortgagor in and to any and all leases now or hereafter on or affecting the mortgaged property described in paragraphs (A), (B), (C) and (D) hereof, together with all security therefor and all monies payable thereunder, and all books and records which contain payments made under the leases and all security therefor. Mortgagee shall have the right, at any time and from time to time, to notify any lessee of the rights of Mortgagee as provided by this paragraph.

(G) TOGETHER WITH (1) the right to further lease portions of the Mortgaged Property as set forth herein, (2) Mortgagor's rights further to encumber the mortgaged property described in paragraphs (A), (B), (C) and (D) above for debt, and (3) all of Mortgagor's rights to enter into any lease or lease agreement.

All of the mortgaged property described in paragraphs (A), (B), (C), (D), (E), (F) and (G) above, and each item of mortgaged property therein described, is herein referred to as the "Mortgaged Property".

TO HAVE AND TO HOLD THE MORTGAGED PROPERTY and all parts thereof unto Mortgagee, its successors and assigns, to its own

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proper use and benefit forever, subject, however, to the terms and conditions herein;

PROVIDED, HOWEVER, that if Mortgagor shall promptly pay or cause to be paid to Mortgagee all sums now or hereafter payable under the Obligations and the Loan Documents, at the times and in the manner stipulated therein, herein, and perform all of its obligations thereunder, hereunder, and in all other Loan Documents, all without any deduction or credit for taxes or other similar charges paid by Mortgagor, and shall keep, perform and observe all of the covenants and promises in the Loan Documents, and any renewals, extensions or modifications thereof, and in this Mortgage, to be kept, performed or observed by Mortgagor, then this Mortgage as to the properties, interests and rights hereby granted, conveyed and assigned shall cease and be void, but shall otherwise remain in full force and effect with respect to rights accruing prior to said termination.

ARTICLE ONE

COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Mortgagee as follows:

1.01 Performance of Loan Documents and the Mortgage, Etc.

Mortgagor shall perform, observe and comply with all provisions hereof, of the Loan Documents, and shall promptly pay to Mortgagee the principal with interest thereon and all other sums required to be paid by Mortgagor under the Loan Documents and pursuant to the provisions of this Mortgage when payment shall become due.

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## 1.02 General Representations, Covenants and Warranties.

(i) Mortgagor represents and warrants that as of the date hereof, and at all times thereafter during the term hereof:

(A) Mortgagor is seized of an indefeasible estate in fee simple in, and has good and absolute title to, the Mortgaged Property, and has good right, full power and lawful authority to mortgage and pledge the same as provided herein, and Mortgagee may, at all times subsequent to an Event of Default, peaceably and quietly enter upon, hold, occupy and enjoy the Mortgaged Property in accordance with the terms hereof; the Mortgaged Property is free and clear of all liens, security interests, charges and encumbrances whatsoever, except for Permitted Encumbrances as defined in the Loan Agreement and Mortgagor will defend the same against the lawful claims and demands of all persons whomsoever;

(B) This Mortgage and the Loan Documents are valid and binding obligations enforceable in accordance with their respective terms and the execution and delivery thereof do not contravene any contract or agreement to which Mortgagor is a party or by which Mortgagor or any of its properties may be bound, and do not contravene any law, order, decree, rule or regulation to which this Mortgage is subject;

(ii) Mortgagor covenants that:

(A) Mortgagor will maintain and preserve the lien of this Mortgage until the indebtedness secured hereby has been paid in full, and

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(B) Mortgagor will not cause or allow any additional lien on or claim against the Mortgaged Property except as may be consented to in writing by Mortgagee or except as may be permitted under the Loan Agreement.

1.03 Compliance with Laws. Mortgagor covenants that the Mortgaged Property presently complies with and will continue to comply with all applicable restrictive covenants, applicable zoning and subdivision ordinances and building codes, all applicable health and environmental laws and regulations and all other applicable laws, rules and regulations, or, if not in compliance as of the date hereof, the Mortgaged Property will be in compliance within time periods required by law. If Mortgagor receives notice from any federal, state or other governmental body that it is not in material compliance with any such covenant, ordinance, code, law or regulation, Mortgagor will provide Mortgagee with a copy of such notice promptly. Mortgagor, after notice to Mortgagee, may contest any legal requirement in any manner permitted by law, and Mortgagor may defer compliance therewith during the pendency of such contest, provided and upon condition that (A) such non-compliance shall not have resulted in the imposition of any criminal sanction upon Mortgagor or subject Mortgagee to any fines or penalties; (B) such non-compliance shall not have resulted in any lien against the Mortgaged Property, unless Mortgagor shall discharge the same by bond or otherwise within sixty (60) days after the imposition thereof; (C) such non-compliance will not place the Mortgaged Property in any danger of being forfeited or lost; (D) if the

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estimated cost of complying shall exceed Fifty Thousand and 00/100 (\$50,000.00) Dollars, Mortgagor shall first furnish to Mortgagee such security in the amount of such excess (in the form of a surety company bond or otherwise as Mortgagee may reasonably require) to assure compliance by Mortgagor with such legal requirement and to indemnify Mortgagee against any and all claims, liabilities, losses, damages, costs and expenses (including reasonable attorneys' fees) in connection with Mortgagor's failure to comply or delay in complying therewith; (E) such contest shall be without cost, liability or expense to Mortgagee over and above any such costs and the like paid by Mortgagor to Mortgagee; (F) Mortgagor shall prosecute such contest with due diligence and in good faith.

Mortgagor shall comply with any and all laws, legislation, rules and regulations in effect as of the date hereof and subsequent hereto, including but not limited to all state and federal laws, legislation, rules and regulations relating to the environment, employee pension and benefit funds, the payment of taxes, assessments, and other governmental charges, zoning, and the use, occupancy, transfer or encumbrancing of the Mortgaged Property. Mortgagor agrees to comply with all reasonable conditions required by Mortgagee designed to protect Mortgagee and the Mortgaged Property from the effect of the Employee Retirement Income Security Act (Public Law 94-306, as amended), and such other laws, legislation, rules and regulations as are in, or may come into, effect and apply to Mortgagor, Mortgagee, the transactions contemplated hereby or the Mortgaged Property or any occupants or

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users thereof, whether as lessees, tenants, licensees or otherwise. Mortgagor agrees to pay any costs required to comply with any of the above conditions.

## 1.04 Taxes and Other Charges.

(A) Taxes and Assessments. Subject to the provisions of this paragraph 1.04, Mortgagor shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations and encumbrances of every kind whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or the indebtedness or other sums secured hereby, or upon or against the interest of Mortgagee in the Mortgaged Property, as well as all income taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality or other taxing authority upon or against Mortgagor or in respect of the Mortgaged Property or any part thereof ( the "Charges"); provided, however, that Mortgagor may in good faith, by appropriate proceeding (including without limitation payment of the Charges under protest if such payment must be made in order to contest such Charges), contest the validity, applicability or amount of any Charges and pending such contest, Mortgagor shall not be deemed in default hereunder if on or before the due date of the Charges, Mortgagor establishes reserves in an amount necessary to cover the payment of such Charges with interest, costs and penalties and a reasonable additional sum to cover possible interest, costs and

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penalties; and, if the amount of such reserves is insufficient to pay any amount adjudged by a court of competent jurisdiction to be due, with all interest, costs and penalties thereon, Mortgagor shall pay such deficiency no later than the date that such judgment becomes final. Mortgagor shall furnish to Mortgagee proof of payment of all such Charges within thirty (30) days of their due date.

(B) Mechanic's and Other Liens. Mortgagor shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien (other than any lien for taxes not yet due) to be created upon the Mortgaged Property other than Permitted Encumbrances.

(C) No Credit Against the Indebtedness Secured Hereby. Mortgagor shall not claim, demand or be entitled to receive any credit against sums secured by this Mortgage for so much of the taxes, assessments, or similar impositions assessed against the Mortgaged Property or any part thereof, or that are applicable to the indebtedness secured hereby or to Mortgagee's interest in the Mortgaged Property. No deduction shall be claimed from the taxable value of the Mortgaged Property or any part thereof by reason of this Mortgage or any other Loan Documents.

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(D) Insurance.

(i) Mortgagor shall, at its sole expense, obtain for, deliver to, assign and maintain for the benefit of, Mortgagee, during the term of this Mortgage, insurance policies in such amounts as Mortgagee may reasonably require, insuring the Mortgaged Property against all insurable hazards, casualties, and contingencies (including without limitation business interruption), as Mortgagee may reasonably require, and shall pay promptly when due any premiums on such insurance policies and on any renewals thereof. The form of such policies and the companies issuing them shall be reasonably acceptable to Mortgagee. All such policies and renewals thereof (or certified copies thereof) shall be held by Mortgagee and shall contain a non-contributory standard mortgagee's endorsement making losses payable to Mortgagee as its interests may appear. At least thirty (30) days prior to the expiration date of all such policies, renewals thereof (or certified copies thereof) reasonably satisfactory to Mortgagee shall be delivered to Mortgagee along with proof of payment of at least one (1) year's premium thereon. Within thirty (30) days prior to the date through which premiums were evidenced as having been paid on such policies, or the anniversary or effective date of each policy, whichever is earlier, Mortgagor shall deliver to Mortgagee receipts evidencing the payment of all premiums on such insurance policies and renewals for at least a future one (1) year period. In the event of loss, Mortgagor will give immediate written notice to Mortgagee, and Mortgagee may make proof of loss if not made promptly by Mortgagor.

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In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment of the indebtedness and other sums secured hereby, all right, title and interest of Mortgagor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser. All such policies shall provide that they shall not be cancelled or terminated without at least thirty (30) days prior written notice to Mortgagee.

(ii) Pursuant to its rights granted hereunder in all proceeds from any insurance policies, Mortgagee is hereby authorized and empowered, at its option, after an Event of Default, to adjust or compromise any loss under any insurance policies on the Mortgaged Property and to collect and receive the proceeds from any such policy or policies; provided that, prior to an Event of Default, so long as Mortgagor proceeds promptly, Mortgagor shall have the prior right to adjust or compromise any loss under any such policy except that any compromise in an amount less than the full replacement cost of the loss shall require the prior written consent of Mortgagee. Each insurance company is hereby authorized and directed to make payment for all such losses directly to the Mortgagee. Mortgagor hereby irrevocably appoints Mortgagee and Mortgagee's duly designated agent, as Mortgagor's attorney-in-fact, to endorse Mortgagor's name to any check, draft or the like which is issued under any such insurance policy. After deducting from such insurance proceeds any expenses incurred by Mortgagee in the collection or handling of such funds, Mortgagee may apply the net

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proceeds, at its option, either toward restoring the Mortgaged Property in accordance with the terms of the Loan Agreement or if an Event of Default exists hereunder as a credit on any portion of the indebtedness and other sums secured hereby, whether then matured or to mature in the future, or at the option of Mortgagee, such sums, either wholly or in part, may be paid over to Mortgagor to be used to repair such improvements or to build new improvements in their place or for any other purpose or object satisfactory to Mortgagee without affecting the lien of this Mortgage for the full amount secured hereby before such payment took place; provided that, so long as no Event of Default exists and Mortgagor proceeds promptly, under the circumstances, and diligently, and Mortgagor deposits with Mortgagee such amount as may be necessary for restoration of the property over and above the amount of the insurance proceeds, Mortgagor shall have the right to use all or any part of such proceeds to repair such improvements or to build new improvements (of at least equal value to those damaged) in their place. Although Mortgagee intends to use its best efforts to collect such payments in a timely fashion if authorized hereunder, Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure other than arising out of its gross negligence or willful misconduct.

(iii) Mortgagor shall, at its sole expense, obtain for, deliver to, and maintain for the benefit of, Mortgagee during the term of this Mortgage, liability insurance policies (or

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certified copies thereof) relating to and covering the Mortgaged Property, in such amounts, with such companies, and in such form as may be reasonably required by Mortgagee. Mortgagee may require such policies to contain an endorsement, in form satisfactory to Mortgagee, naming Mortgagee as an additional insured thereunder. Mortgagor shall pay promptly when due any premiums on such insurance policies and renewals thereof and furnish to Mortgagee proof of payment of same.

1.05 Condemnation. Mortgagee shall be entitled to all compensation awards, damages, claims, rights of action and proceeds of, or on account of, any damage or taking through condemnation and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or Mortgagor's name, any action or proceeding relating to any condemnation and to settle or compromise any claim in connection therewith; provided that, so long as no Event of Default exists and so long as Mortgagor proceeds diligently, Mortgagor shall have the prior right to settle or compromise any claim in connection with any condemnation, except that any compromise or settlement in an amount less than the lesser of the full replacement cost of the property taken or the remaining amount due and to become due and secured hereby shall require the prior written consent of Mortgagee. All such compensation awards, damages, claims, rights of action and proceeds, and any other payments or relief, and the right thereto, are included in the Mortgaged Property and may be applied or disbursed in the same manner as insurance proceeds as set forth above in Section

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1.04(d)(ii) hereof. Mortgagor agrees to execute such further assignments of any compensation awards, damages, claims, rights of action and proceeds as Mortgagee may require. Upon assignment of this Mortgage, any funds on hand shall be turned over to the assignee who shall hold same in accordance with the terms of this Mortgage, and any responsibility of the assigning Mortgagee with respect thereto shall terminate.

## 1.06 Care of Mortgaged Property.

(A) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, reasonable wear and tear excepted. Mortgagor shall not permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof except as aforesaid, and shall not take any action which will increase the premium on any insurance against risk of fire or other hazard to the Mortgaged Property or to any part thereof.

(B) Except as otherwise provided in this Mortgage, no part of the Mortgaged Property shall be removed or demolished without the prior written consent of Mortgagee. Mortgagor shall have the right, without such consent, to remove and dispose of, free from the lien of this Mortgage, any part of the Mortgaged Property as from time to time may become worn out or obsolete, provided that either simultaneously with or prior to such removal, any such Mortgaged Property shall be replaced with other mortgaged property of utility and quality at least equal to that of the

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replaced equipment and free from any security interest of any other person.

(C) After reasonable notice to Mortgagor (except in the event of an emergency and except after an Event of Default), Mortgagee may enter upon and inspect the Mortgaged Property during normal business hours during the term of this Mortgage so long as said entry and inspection does not interfere with the normal operations conducted on the Mortgaged Property.

(D) If any part of the Mortgaged Property shall be lost, damaged or destroyed by fire or any other cause, Mortgagor will give immediate written notice thereof to Mortgagee and shall reasonably promptly, considering the circumstances, restore the Mortgaged Property to the equivalent of its original condition, regardless of whether or not there shall be any insurance proceeds therefor. If any part of the Mortgaged Property shall be lost, physically damaged, or destroyed through condemnation, Mortgagor will promptly restore, repair or alter the remaining Mortgaged Property in a manner reasonably satisfactory to Mortgagee.

(E) No work required to be performed under this paragraph shall be undertaken which, in the normal course, would require the use of plans and specifications, until plans and specifications therefor, prepared by an architect or engineer reasonably satisfactory to Mortgagee, have been submitted to and approved in writing by Mortgagee (Mortgagee shall approve any work to repair or replace the existing improvements in substantially the

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same form as they now exist and will not unreasonably withhold or delay its consent to other work).

1.07 Transfer of Mortgaged Property. Except as set forth above in Paragraph 1.06(B) hereof, Mortgagor shall not sell, convey, transfer, lease or further encumber any interest in or any part of the Mortgaged Property, nor shall a voluntary sale, pledge or other transfer of the controlling interest in Mortgagor be effected, without the prior written consent of Mortgagee having been obtained to the purchase, transfer, lease or pledge, to the purchaser, transferee, lessee or pledgee and to the form and substance of any instrument evidencing any such purchase, transfer, lease or pledge. Any such sale, conveyance, transfer, pledge, lease or encumbrance made without Mortgagee's prior written consent shall be void. Mortgagor shall not, without the prior written consent of Mortgagee, further assign the rents from the Mortgaged Property, and any such assignment without the prior express written consent of Mortgagee shall be null and void. Mortgagor agrees that, in the event that the ownership of the Mortgaged Property or any part thereof becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal in any way with such successor or successors in interest with reference to the Mortgage and the Loan Documents and other sums hereby secured without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Loan Documents and other sums hereby secured. No sale of the Mortgaged Property and no forbearance to any person with respect to this Mortgage, and no extension to any

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person of the time for payment of the Loan Documents and other sums hereby secured given by Mortgagee, shall operate to release, modify, discharge, change or affect the original liability of Mortgagor either in whole or in part.

1.08 Further Assurances. At any time and from time to time, upon Mortgagee's written request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Mortgagee and where appropriate shall cause to be recorded or filed, and from time to time thereafter to be re-recorded and re-filed at such time and in such offices and places as shall be deemed desirable by Mortgagee, any and all such further mortgages, instruments of further assurance, certificates and other documents as Mortgagee may consider necessary or desirable in order to effectuate, complete, perfect, or to continue and preserve, but not to expand, the obligations of Mortgagor under the Loan Documents and this Mortgage, and the lien of the Mortgage as a lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor, and unto all and every person or persons deriving any estate, right, title or interest under this Mortgage or the power of sale herein contained. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, file, re-record or re-file any and all such mortgages, instruments, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee as the agent and attorney-in-fact of Mortgagor to do so.

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## 1.09 Security Agreement and Financing Statements.

Mortgagor (as Debtor) hereby grants to Mortgagee (as Creditor and Secured Party) a security interest in all boilers, furnaces, motors, machinery, generators, heaters, ranges, mantles, sprinkling and other fire prevention or extinguishing equipment, gas and electric fixtures, heating and plumbing, lighting, ventilating, refrigerating, incinerating, cooking and air conditioning equipment, elevators, screens, storm sash, screen doors, awnings, blinds, shades, gas and oil tanks, and all other fixtures, machinery, appliances, equipment, furnishing, furniture and personal property now or hereafter owned by Mortgagor and used in and about the Mortgaged Property, together with all accessories, substitutions, additions, replacements, parts and accessions affixed to or used in connection with the collateral.

Mortgagor shall execute any and all such documents, including, without limitation, Financing Statements pursuant to the Uniform Commercial Code of the state in which the Mortgaged Property is located, as Mortgagee may request to preserve and maintain the priority of the lien created hereby on property which may be deemed personal property or fixtures, and shall pay to Mortgagee on demand any expenses incurred by Mortgagee in connection with the preparation, execution and filing of any such documents. Mortgagor hereby authorizes and empowers Mortgagee to execute and file, on Mortgagor's behalf, all Financing Statements and refilings and continuations thereof, as Mortgagee deems necessary or advisable to create, preserve and protect said lien.

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When and if Mortgagor and Mortgagee shall respectively become the Debtor and Secured Party in any Uniform Commercial Code Financing Statement affecting the Mortgaged Property, this Mortgage shall be deemed a security agreement as defined in said Uniform Commercial Code and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be (A) as prescribed herein, or (B) by general law, or (C) as to such part of the security which is also reflected in said Financing Statement, by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at Mortgagee's sole election.

Mortgagor and Mortgagee agree that the filing of a Financing Statement in the records normally having to do with personal property shall never be construed as in any wise derogating from or impairing the express declaration and intention of the parties hereto, hereinabove stated, that everything used in connection with the production of income from the Mortgaged Property and/or adapted for use therein and/or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings, both legal and equitable, shall be regarded as part of the real estate encumbered by this Mortgage irrespective of whether (A) any such item is physically attached to the Improvements, (B) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Mortgagee, or (C) any such item is referred to or reflected in any

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such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgagor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the Mortgaged Property mortgaged hereby, whether pursuant to lease or otherwise, shall never be construed as in any wise altering any of the rights of Mortgagee as determined by this instrument or impugning the priority of Mortgagee's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of Mortgagee in the event that any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Mortgagee's priority of interest to be effective against a particular class of persons, including, but not limited to, the federal government and any subdivision or entity of the federal government, must be filed in the Uniform Commercial Code records.

1.10 Assignment of Rents. The assignment contained under the section of this Mortgage entitled "THE MORTGAGED PROPERTY", in paragraph (E), shall be fully operative without any further action on the part of either party and, specifically, after an Event of Default, Mortgagee shall be entitled to receive all rents, income and other benefits from the Mortgaged Property described in paragraphs (A), (B), (C) and (D) thereof, whether or not Mortgagee takes possession of such Mortgaged Property, but not in excess of

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the amounts then due and owing or next becoming due and owing under the obligations secured hereby. Mortgagor hereby further grants to Mortgagee the right, at Mortgagee's option, (1) to enter upon and take possession of the Mortgaged Property for the purpose of collecting the said rents, income and other benefits, (2) to dispossess, by the usual summary proceedings, any tenant defaulting in the payment thereof to Mortgagee, (3) to let the Mortgaged Property or any part thereof, and (4) to apply said rents, income and other benefits, after payment of all necessary charges and expenses, on account of the indebtedness and other sums secured hereby. Such assignment and grant shall continue in effect until the indebtedness and other sums secured hereby are paid, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Mortgaged Property by Mortgagee pursuant to such grant, subsequent to an Event of Default, whether or not foreclosure proceedings have been instituted. Neither the exercise of any rights under this paragraph by Mortgagee, nor the application of any such rents, income or other benefits to the indebtedness and other sums secured hereby, shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant hereto or to any such notice, but shall be cumulative of all other rights and remedies.

1.11 After Acquired Property. To the extent permitted by and subject to applicable law, the lien of this Mortgage will automatically attach, without further act, to all after-acquired

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property owned by Mortgagor located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Mortgaged Property or any part thereof.

1.12 Leases Affecting Mortgaged Property. The assignment contained in paragraph (F) of "THE MORTGAGED PROPERTY" section shall not be deemed to impose upon Mortgagee any of the obligations or duties of Mortgagor provided in any such lease, and Mortgagor shall comply with and observe its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. Mortgagor, if required by Mortgagee, shall furnish promptly to Mortgagee original or certified copies of all such leases hereafter created with the consent of Mortgagee. Mortgagor agrees that any future leases shall be subordinate to the lien of this Mortgage.

With respect to the assignment contained in paragraph (F) of "THE MORTGAGED PROPERTY" section, Mortgagor shall, from time to time upon request of Mortgagee, specifically assign to Mortgagee as additional security hereunder, by an instrument in writing in such form as may be approved by Mortgagee, all right, title and interest of Mortgagor in and to any and all leases now or hereafter on or affecting the Mortgaged Property, together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such lease. Mortgagor shall also execute and deliver to Mortgagee any notification, Financing Statement or other document reasonably required by Mortgagee to perfect the foregoing assignment as to any such lease. The

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provisions of this paragraph 1.12 shall be subject to the provisions of said paragraph (F).

1.13 Expenses. Mortgagor shall pay when due and payable all reasonable appraisal fees, recording fees, taxes, brokerage fees and commissions incurred by actions of Mortgagor, abstract fees, title policy fees, attorneys' fees, fees of inspecting architect(s) and engineer(s), if any, and all other out-of-pocket costs and expenses of every character which have been reasonably incurred or which may hereafter be reasonably incurred by Mortgagee in connection with the issuance of its commitment, if any, the preparation and execution of this Mortgage and all other documents issued in connection therewith, and Mortgagor shall, upon demand by Mortgagee, reimburse Mortgagee for all such expenses which have been incurred or which shall be reasonably incurred by it in accordance with the terms of any of the Loan Documents; and shall indemnify and hold harmless Mortgagee from and against, and reimburse it for, all claims, demands, liabilities, losses, damages, judgments, penalties, reasonable out-of-pocket costs and expenses (including, without limitation, reasonable attorneys' fees) which may be imposed upon, asserted against, or incurred or paid by it by reason of, on account of, or in connection with, any bodily injury or death or property damage occurring in or upon or in the vicinity of the Mortgaged Property through any cause whatsoever or asserted against it on account of any act performed or omitted to be performed hereunder or on account of any transaction arising out of or in any way connected with the

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Mortgaged Property, or with this Mortgage or any of the indebtedness secured hereby (including, without limitation, reasonable attorneys' fees and expenses in connection with any appeal), excepting only to the extent caused directly by Mortgagee's gross negligence or willful misconduct.

1.14 Mortgagee's Performance of Defaults. If Mortgagor defaults in the payment of any tax, assessment, encumbrance or other imposition, in its obligation to furnish insurance hereunder, or in the performance or observance of any other covenant, condition or term in this Mortgage, or any of the Loan Documents, Mortgagee may, to preserve its interest in the Mortgaged Property, perform or observe the same, and all payments made (whether such payments are regular or accelerated payment(s)) and costs and expenses incurred or paid by Mortgagee in connection therewith shall become due and payable immediately. Mortgagee shall promptly notify Mortgagor of its exercise of any rights under this Paragraph 1.14. The amounts so incurred or paid by Mortgagee, together with interest thereon at the default rate set forth in the Loan Agreement from the date incurred until paid by Mortgagor, shall be added to the indebtedness and secured by the lien of this Mortgage. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor.

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## ARTICLE TWO

### DEFAULTS

2.01 Events of Default. The term "Event of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(A) An Event of Default exists under the Loan Documents beyond any applicable grace or cure period, if any.

(B) The occurrence of an Event of Default under any approved encumbrance affecting all or any portion of the Mortgaged Property after any grace, notice and opportunity to cure periods provided for therein, if any.

(C) Any material misrepresentation is made by Mortgagor in this Mortgage or any other Loan Documents.

(D) Further encumbering of the Mortgaged Property without the written consent of Mortgagee.

(E) The sale, conveyance or transfer of title to or possession of the Mortgaged Property, or any part thereof, without the express written consent of Mortgagee.

## ARTICLE THREE

### REMEDIES

3.01 Acceleration of Maturity. If an Event of Default shall have occurred, Mortgagee may declare the outstanding principal amount of all Obligations secured hereby and all interest accrued thereon, and all other sums secured hereby, to be due and payable immediately, and upon such declaration such principal and

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interest and other sums shall immediately become and be due and payable without demand or notice.

3.02 Mortgagee's Power of Enforcement. If an Event of Default shall have occurred, Mortgagee may, either with or without entry or taking possession as hereinabove provided or otherwise, and without regard to whether or not the indebtedness and other sums secured hereby shall be due and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure or any other action for any default existing at the time that such action was commenced, proceed by and take appropriate action or proceeding: (A) to enforce performance of any term hereof or any other right; (B) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property under the power of sale hereinafter provided or the judgment decree of a court or courts of competent jurisdiction; and (C) to pursue any other remedy available to it. Mortgagee may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Mortgagee may determine.

3.03 Mortgagee's Right to Enter and Take Possession, Operate and Apply Income.

(A) If an Event of Default shall have occurred, (i) Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession, and if and to the extent permitted by law, and through judicial proceedings, where required, Mortgagee itself, or by such officers or agents as it may appoint, may enter and take possession, of all of the Mortgaged Property and may

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exclude Mortgagor and its agents and employees wholly therefrom and may have joint access with Mortgagor to the books, papers and accounts of Mortgagor; and (ii) Mortgagor shall pay monthly in advance to Mortgagee, on Mortgagee's entry into possession, or to any receiver appointed to collect the rents, income and other benefits of the Mortgaged Property, the fair and reasonable rental value for the use and occupations of such part of the Mortgaged Property as may be in possession of Mortgagor, and, upon default in any such payment, shall vacate and surrender possession of such part of the Mortgaged Property to Mortgagee or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise.

(B) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after Mortgagee's demand, Mortgagee may obtain a judgment or decree conferring on Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged Property to Mortgagee. Mortgagor shall pay to Mortgagee, upon demand, all reasonable out-of-pocket costs and expenses of obtaining such judgment or decree and reasonable compensation of Mortgagee, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(C) Upon every such entering upon or taking of possession, Mortgagee may hold, store, use, operate, manage and

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control the Mortgaged Property and conduct the business thereof, and, from time to time:

(i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personal and other mortgaged property;

(ii) insure or keep the Mortgaged Property insured;

(iii) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor in its name or otherwise with respect to the same;

(iv) enter into agreements with others to exercise the powers herein granted to Mortgagee, all as Mortgagee may from time to time determine; and Mortgagee may collect and receive all rents, income and other benefits thereof, including those past due as well as those accruing thereafter; and shall apply the monies so received by Mortgagee in such priority as Mortgagee may determine to (1) the payments due and payable on the obligations secured hereby, (2) the deposits for taxes and assessments and insurance premiums due, (3) the cost of insurance, taxes, assessments and other proper charges upon the Mortgaged Property or any part thereof, and (4) the reasonable compensation, out-of-pocket expenses and disbursements of the agents, attorneys and other representatives of Mortgagee.

Mortgagee shall surrender possession of the Mortgaged Property to the Mortgagor only when all amounts that are

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due upon such secured indebtedness, and all amounts under any of the terms of this Mortgage, shall have been paid. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

3.04 Leases. Mortgagee is authorized to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property or may elect which tenants Mortgagee desires to name as party defendants in such foreclosure proceedings, and the failure to make any such tenants party defendants to any such foreclosure proceedings and to foreclose their rights shall not be, nor be asserted by Mortgagor to be, a defense to any proceedings instituted by Mortgagee to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

3.05 Purchase by Mortgagee. Upon any such foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and, upon compliance with the terms of sale, may hold, retain, possess and dispose of such property in its own absolute right without further accountability.

3.06 Application of Indebtedness Toward Purchase Price. Upon any such foreclosure sale, Mortgagee may, if permitted by law, and after allowing for costs and expenses of the sale, compensation and other charges, in paying the purchase price, apply any portion of or all of the indebtedness and other sums due to Mortgagee and secured party in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.



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3.07 Waiver Of Appraisement, Valuation, Stay, Extension and Redemption Laws. Mortgagor agrees, to the full extent permitted by law, that in case of an Event of Default on its part hereunder, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation or extension laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety.

3.08 Receiver. If an Event of Default shall have occurred, Mortgagee, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the indebtedness and other sums secured hereby, shall be entitled, as a matter of right, if it so elects, to the appointment of a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, income and other benefits thereof and apply the same as the court may direct. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the powers herein contained

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which may be unlawful or a violation of this Mortgage, (B) to preserve or protect its interest in the Mortgaged Property, and (C) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagee's interest.

3.10 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment,

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3.08 Receiver. If an Event of Default shall have occurred, Mortgagee, to the extent permitted by law and without regard to the value, adequacy or occupancy of the security for the indebtedness and other sums secured hereby, shall be entitled, as a matter of right, if it so elects, to the appointment of a receiver to enter upon and take possession of the mortgaged Property and to collect all rents, income and other benefits thereof and apply the same as the court may direct. The expenses, including receiver's fees, attorneys' fees, costs and agent's compensation, incurred pursuant to the powers herein contained

may sell the mortgaged Property in part or as an entirety. Mortgagee or any court having jurisdiction to foreclose such lien marshalled upon any foreclosure of the lien hereof and agrees that and all right to have the assets comprising the mortgaged Property that it may lawfully so do, the benefit of all such laws, and any time claim through or under it, hereby waives, to the full extent after such sale, and Mortgagee, for itself and all who may at any the final and absolute putting into possession thereof, immediately of this Mortgage or the absolute sale of the mortgaged Property or force, in order to prevent or hinder the enforcement or foreclosure appraisement, valuation or extension laws now or hereafter in it shall or will set up, claim or seek to take advantage of any hereunder, neither Mortgagee nor anyone claiming through or under permitted by law, that in case of an Event of Default on its part and Redemption Laws. Mortgagee agrees, to the full extent

3.07 Waiver of Appraisement, Valuation, Stay, Extension

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insolvency, bankruptcy, reorganization, arrangement, adjustment, 3.10 Proofs of Claim. In the case of any receivership,

security hereunder or be prejudicial to Mortgagee's interest. compliance with such enactment, rule or order might impair the be unconstitutional or otherwise invalid, if the enforcement of or legislation or other governmental enactment, rule or order that may (c) to restrain the enforcement of or compliance with any preserve or protect its interest in the Mortgaged Property, and (A) to prevent any impairment of the Mortgaged Property by any acts suits and proceedings as Mortgagee may reasonably deem advisable shall have the power and authority to institute and maintain any 3.09 Suits to Protect the Mortgaged Property. Mortgagee

the terms of this Mortgage to, Mortgagee. instruments at the time held by, or payable or deliverable under pledged to the possession and control of any cash, deposits, or any receiver or other custodian, Mortgagee shall be entitled as paragraph or paragraph 3.03. Notwithstanding the appointment of actually received by Mortgagee, whether received pursuant to this be liable to account only for such rents, income and other benefits concurrently therewith or independently thereof. Mortgagee shall or remedy hereunder or afforded by law and may be exercised by a receiver or otherwise, shall be cumulative to any other right to collect all rents, income and other benefits thereof, whether possession of and to manage and operate the Mortgaged Property and shall be secured by this Mortgage. The right to enter and take

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composition or other judicial proceedings affecting Mortgagor or any guarantor, co-maker, or endorser of any of Mortgagor's obligations, its creditors or its property, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amount due and payable by Mortgagor under any instrument secured hereby at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by the Mortgagor after such date.

3.11 Mortgagor to Pay the Liabilities on any Default in Payment; Application of Monies by Mortgagee.

(A) If an Event of Default exists, then, upon Mortgagee's demand, Mortgagor will pay to Mortgagee, in addition to other sums secured hereby, the out-of-pocket costs and expenses, including without limitation, the reasonable compensation, expenses and disbursements of Mortgagee's agents, attorneys and other representatives, in connection with any proceedings for the enforcement of this Mortgage.

(B) Mortgagor hereby agrees, to the extent permitted by law, that no attachment or levy of any execution upon any of the Mortgaged Property or any other property shall in any way affect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Mortgagee hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before.

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(C) Any monies collected or received by Mortgagee under this paragraph 3.11 shall be applied to the payment of compensation, out-of-pocket expenses and disbursements of the agents, attorneys, and other representatives of Mortgagee.

3.12 Delay or Omission, No Waiver. No delay or omission of Mortgagee to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

3.13 No Waiver of One Default to Affect Another. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default then existing, or impair any rights, powers or remedies consequent thereon. If Mortgagee: (A) grants forbearance or an extension of time for the payment of any sums secured hereby; (B) takes other or additional security for the payment thereof; (C) waives and does not exercise any right granted in the Loan Documents; (D) releases any part of the Mortgaged Property from the lien of this Mortgage or any other instrument securing the Loan Documents; (E) consents to the filing of any map, plat or replat of the Land; (F) consents to the granting of any easement on the Land; or (G) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the original

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liability under the Loan Documents, this Mortgage or otherwise of Mortgagor, or any subsequent purchaser of the Mortgaged Property, or any part thereof. No such act or omission shall preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default nor, except as otherwise expressly provided in an instrument or instruments executed by Mortgagee, shall the lien of this Mortgage be altered thereby, except to the extent of releases as described in subparagraph (D) above of this paragraph 3.13. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, Mortgagee, without notice to any person, firm or corporation, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

3.14 Discontinuance of Proceedings; Position of Parties Restored. If Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise and such proceedings shall have been discontinued or abandoned for any reason, or such proceedings shall have resulted in a final determination adverse to Mortgagee, then and in every such case Mortgagor and Mortgagee shall be restored to their former positions

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and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceedings had occurred or been taken.

3.15 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by the Loan Documents or this Mortgage is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Loan Documents, or now or hereafter existing at law, in equity or by statute.

## ARTICLE FOUR

### MISCELLANEOUS PROVISIONS

#### 4.01 Heirs, Successors and Assigns Included in Parties.

Whenever one of the parties hereto is named or referred to herein, the heirs, successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Mortgagee shall bind and inure to the benefit of their respective heirs, successors and assigns, whether so expressed or not; provided that all transfers by Mortgagor shall be in compliance with paragraph 1.07.

#### 4.02 Addresses for Notices, Etc.

(A) Any notice, report, demand or other instrument authorized or required to be given or furnished under this Mortgage to Mortgagor or Mortgagee shall be deemed given or furnished when delivered in person, or by Federal Express or other overnight



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delivery service or five (5) days after being deposited in the United States Mail by registered or certified mail, return receipt requested, addressed as follows:

- (1) In the case of Mortgagee, addressed to:

FIRST FIDELITY BANK, NATIONAL  
ASSOCIATION, NEW JERSEY  
570 Broad Street  
Asset Based Lending Department  
Newark, New Jersey 07102

Attention: Michael Coiley,  
Assistant Vice President

with a copy to:

BUDD LARNER GROSS ROSENBAUM  
GREENBERG & SADE  
150 John F. Kennedy Parkway  
CN 1000  
Short Hills, New Jersey 07078-0999

Attention: Alan D. Wiener, Esq.

- (2) In the case of Mortgagor, addressed to:

Plastic Specialties and Technologies, Inc.  
101 Railroad Avenue  
Ridgefield, New Jersey 07067

with a copy to:

Connell, Foley & Geiser  
85 Livingston Avenue  
Roseland, New Jersey 07068

Attention: Kenneth F. Kunzman, Esq.

and to such other addresses specified in writing by one party to the other in accordance herewith.

4.03 Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience

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only and are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.

4.04 Invalid Provisions to Affect No Others. In the event that any of the covenants, agreements, terms or provisions contained in the Loan Documents or in this Mortgage or in any other instrument securing the Loan Documents shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Loan Documents shall be in no way affected, prejudiced or disturbed thereby and a substitute provision shall be inserted with a meaning and effect as near to that of the invalid one as is permissible.

4.05 Changes, Etc. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

4.06 Governing Law. This Mortgage shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of New Jersey, except that the laws of the State of Illinois shall govern the perfection of liens and security interests herein provided for with respect to the Mortgaged Property and as to certain remedial provisions hereof.

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IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage and Security Agreement as of the day and year first above written.

ATTEST:

PLASTIC SPECIALTIES AND TECHNOLOGIES,  
INC.

BY: 

Terence K. Brennan,  
Assistant Secretary

BY: 

Fred W. Broling, President

Mortgagor hereby acknowledges receipt of a true copy of the within instrument.

ATTEST:

PLASTIC SPECIALTIES AND TECHNOLOGIES,  
INC.

BY: 

Terence K. Brennan,  
Assistant Secretary

BY: 

Fred W. Broling, President

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LAWYERS TITLE INSURANCE CORPORATION

SCHEDULE A CONTINUED - CASE NO. 92-01758

**PARCEL 1:**

West 200 feet of Lot 2 in River Road Industrial Development Subdivision being a subdivision of part of the Southwest Fractional 1/4 of Section 10, Township 40 North, Range 12, East of the Third Principal Meridian and part of the North 1/2 of Robinson's Reservation in the Town of Leyden, according to the plat thereof recorded January 17, 1961 as Document Number 18063713, in Cook County, Illinois.

12-10-300-049

**PARCEL 2:**

9509 WINONA AVE  
SCHILLER PARK, ILL

The West 150.83 feet of the South 275 feet of that part of the North section in Robinson's Reservation in the Town of Leyden in Cook County, Illinois, together with that part of the Southwest Fractional 1/4 of Section 10, Township 40 North, Range 12, East of the Third Principal Meridian bounded and described as follows:

Beginning at the Northwest corner of said Southwest Fractional 1/4 of Section 10 and running thence along the West line of said Southwest Fractional 1/4 of Section 10, 136.80 feet, more or less, to the North line of said Robinson's Reservation; thence West along said North line of said Robinson's Reservation 250.10 feet, more or less, to the Northwest corner of said Reservation; thence South along the West line of said Reservation 765.90 feet, more or less, to the North line of the South 43 acres of that part lying West of the center line of West River Road of the North 32 chains of said North section of Robinson's Reservation; thence East along the said North line of said South 43 acres 530.83 feet; thence North 903.20 feet, more or less, to a point on the North line of said Northwest Fractional 1/4 of Section 10 aforesaid which is 275.50 feet East of the place of beginning; thence West along said North line of said Southwest Fractional 1/4 275.50 feet to said Northwest corner of said Fractional 1/4 of Section and the place of beginning, in Cook County, Illinois.

12-10-300-032

9611 WINONA AVENUE  
SCHILLER PARK, ILL

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## MORTGAGE AND SECURITY AGREEMENT

PLASTIC SPECIALTIES AND TECHNOLOGIES, INC.

-to-

FIRST FIDELITY BANK, NATIONAL  
ASSOCIATION, NEW JERSEY

Dated: 29 of May 29, 1992

RECORD AND RETURN TO: ✓

Alan D. Wiener, Esq.  
BUDD LARNER GROSS ROSENBAUM  
GREENBERG & SADE, P.C.  
150 John F. Kennedy Parkway  
Short Hills, New Jersey 07078-099  
(201) 379-4800

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Handwritten initials or signature