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MORTGAGE

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DEPT-01 RECORDING \$57.50
 T0003 TRAM 4039 02/27/96 12:29:00
 #5015 # LM # -96-149711
 COOK COUNTY RECORDER
 DEPT-10 PENALTY \$54.00

THIS AGREEMENT, made January 23, 1996, between Enviropur Waste Refining and Technology, Inc., an Illinois corporation, 150 South Wacker Drive, Suite 675, Chicago, Illinois 60606, herein referred to as "Mortgagors," and 501164 B.C. LTD, a British Columbia corporation, Suite 1290, 400 Burrard Street, Vancouver B.C. V6C 3A6, Canada herein referred to as "Mortgagee," witnesseth:

THAT WHEREAS Mortgagor had executed a note (as described herein), in favor of CVD Financial Corporation (CVD) and CVD had assigned the note to Mortgagee pursuant to that certain Assignment and Assumption Agreement between CVD and Mortgagee; and

WHEREAS the Mortgagor is justly indebted to the Mortgagee pursuant to that certain note, in the principal sum of FOUR MILLION DOLLARS (\$4,000,000), payable to the order of CVD and assigned and delivered to the Mortgagee, in and by which note the Mortgagor promises to pay the said principal sum and interest at the rate and in installments as provided in said note, with a final payment of the balance due on September 1, 1995 (Note) and all of said principal and interest are made payable at such place as the holders of the note may, from time to time, in writing appoint, and in absence of such appointment then at the office of the Mortgagee as aforesaid; and

WHEREAS, Mortgagor acknowledges that said Note is currently due, and as additional security for the payment of the Note Mortgagor has agreed to pledge the property hereinafter described.

NOW, THEREFORE, the Mortgagors to secure the payment of the said principal sum of money and said interest in accordance with the terms, provisions and limitations of this mortgage, and the performance of the covenants and agreements herein contained, by the Mortgagors to be performed, and also in consideration of the sum of One Dollar in hand paid, the receipt whereof is hereby acknowledged, do by these presents CONVEY AND WARRANT unto the Mortgagee, and the Mortgagee's successors and assigns, the following described Real Estate and all of their estate, right, title and interest therein (Premises), described on Exhibit A attached hereto and made part hereof.

TOGETHER with any and all buildings and improvements now or hereafter erected on the Premises including, but not limited to the fixtures, attachments, appliances, equipment, machinery, and

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other articles attached to said buildings and improvements (the "Improvements"), all of which shall be deemed and construed to be a part of the realty;

TOGETHER with all goods, fixtures and articles of personal property and all appurtenances and additions thereto and substitutions or replacements thereof, now or at any time hereafter owned by Mortgagor and now or hereafter attached to, contained in, or used in connection with the Premises or placed on any part thereof, though not attached thereto (other than personal property which is or at any time has become hazardous or toxic waste or waste products or hazardous substances), and all proceeds thereof, including but limited to, all screens, awnings, shades, blinds, curtains, lighting, plumbing, ventilating, air conditioning, refrigerating, incinerating and elevator plants, stoves, ranges, vacuum cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, appliances, equipment, fittings and fixtures, and the trade name, good will and books records relating to the business operated on the Premises excepting only such of the foregoing items of personal property as are property of any lessee or tenant of the Premises all as described in a separate lease agreement between Mortgagor and such lessee or tenant. To the extent that any item captioned in the granting clauses of this Mortgage constitutes personal property, Mortgagor hereby grants to Mortgagee a security interest in all of Mortgagor's present and future "goods", "fixtures", "proceeds", "equipment" and "general intangibles" and Mortgagee shall have, in addition to all rights and remedies provided herein, and in any other agreements, commitments and undertakings made by Mortgagor to Mortgagee, all of the rights and remedies of a "secured party". To the extent permitted under the applicable law, this Mortgage shall be deemed to be a "security agreement". If the lien of this Mortgage is subject to a security interest covering any such personal property, then all of the right, title and interest of Mortgagor in and to any and all such property including "equipment", "goods", "fixtures", and "general intangibles" is hereby assigned to Mortgagee, together with the benefits of all deposits and payments now or hereafter made thereon by Mortgagor;

Together with all rents, issues, profits, royalties, income and other benefits derived from the Premises or the Improvements (collectively, the "Rents"), and all leases and subleases of the Premises now or hereafter existing or entered into, or portions thereof, granted by Mortgagor, and further subject to the right, power and authority hereinafter given to Mortgagor to collect and apply such rents;

Together with all interests, estates or other claims, both in law and in equity, which Mortgagor now has or may hereafter acquire in the Premises or the Improvements;

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Together with all easements, rights-of-way and rights now owned or hereafter acquired by Mortgagor used in connection therewith or as a means of access thereto, including, without limiting the generality of the foregoing, all rights pursuant to any trackage agreement and all rights to the nonexclusive use of common drive entries, and all tenements, hereditaments and appurtenances thereof and thereto, and all water and water rights and shares of stock evidencing the same;

Together with all leasehold estate, right, title and interest of Mortgagor in and to all leases or subleases covering the Premises, the Improvements or any portion thereof now or hereafter existing or entered into, and all right, title and interest of Mortgagor thereunder including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature;

Together with all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to any lyings within the right-of-way of any street, open or proposed, adjoining the Premises, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Premises;

Together with all the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereafter acquire in the Premises or Improvements, and any and all awards made for the taking by eminent domain, or by any proceeding of purchase in lieu thereof, of the whole or any part of the Premises, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages.

TO HAVE AND TO HOLD the Premises unto the Mortgagee, and the Mortgagee's successors assigns, forever, for the purposes, and upon the uses herein set forth.

COVENANTS CONDITIONS AND PROVISIONS

1. Mortgagor shall (1) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (2) keep said Premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinated to the lien thereof; (3) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee; (4) comply with all requirements of law or municipal ordinances with respect to the Premises and the use thereof; (6) make no material alterations in said Premises except as required by law or municipal ordinance.

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2. Mortgagor shall pay, at least thirty (30) days prior to delinquency and before any penalty attaches, all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the Premises when due, and shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. To prevent default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagor may desire to contest.

3. In the event of the enactment after this date of any law of Illinois deducting from the value of land for the purpose 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 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 property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby 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, however, that if in the opinion of counsel for the Mortgagee (a) it might be lawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

4. If, by the laws of the United States of America or of any state having jurisdiction in the Premises, any tax is due or becomes due in respect of the issuance of the note hereby secured, the Mortgagor covenants and agree to pay such tax in the manner required by any such law. The Mortgagor further covenants to hold harmless and agree to indemnify the Mortgagee, and the Mortgagee's successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the note secured hereby.

5. At such time as the Mortgagor is not in default either under the terms of the note secured hereby or under the terms of this Mortgage, the Mortgagor shall have such privilege of making prepayments on the principal of said note (in addition to the required payments) as may be provided in said note.

6. Mortgagor shall keep all buildings and improvements now or hereafter on said Premises insured against loss or damage by fire, lightning and windstorm under policies providing for payment by the insurance companies of moneys sufficient either to pay the cost of replacing or repairing the same or to pay in full the indebtedness secured hereby, all in companies satisfactory to

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the Mortgagee, under insurance policies payable, in case of loss or damage, to Mortgagee, such rights to be evidenced by the standard mortgage clause to be attached to each policy, and shall deliver all policies, including additional and renewal policies, to the Mortgagee, and in case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to the respective dates of expiration. Mortgagee shall have the absolute right to apply all proceeds from said policies towards the Note, or any amount outstanding to Mortgagee.

7. In case of default therein, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor in any form and manner deemed expedient, and may, but need not, 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 said premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, and any other moneys advanced by Mortgagee to protect the mortgaged Premises and the lien hereof, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the highest rate now permitted by Illinois law and if such rate is not established, than the interest rate shall be the interest rate established in the Note plus 1% (one percent) per month. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagor.

8. The Mortgagee making any payment hereby authorized relating to taxes or assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

9. Mortgagor shall pay each item of indebtedness herein mentioned, both principal and interest, when due according to the terms hereof. At the option of the Mortgagee and without notice to Mortgagor, all unpaid indebtedness secured by this mortgage shall, notwithstanding anything in the note or in this Mortgage to the contrary, become due and payable (a) immediately in the case of default in making payment of any installment of principal or interest on the note, or (b) when default shall occur and continue for three (3) days in the performance of any other agreement of the Mortgagor herein contained.

10. When the indebtedness hereby shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof. In any suit to foreclose the lien

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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 Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' 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, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the highest rate now permitted by Illinois law, when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (c) preparations for the defense of any actual or threatened suit or proceeding which might affect the Premises or the security hereof.

11. 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 the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the note; fourth, any surplus to Mortgagor or assigns, as its right may appear.

12. Upon or any time after the filing of a complaint to foreclose this Mortgage the court in which such complaint is filed, may appoint receiver of said Premises. Such appointment may be made either before or after the sale, without notice, without regard to the solvency or insolvency of 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 may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said Premises or whether the same shall be then occupied as a homestead or not, and the Mortgagee may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit and, in

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case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagors, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, 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 from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (1) The indebtedness secured hereby, or 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 foreclosure sale; (2) the deficiency in case of a sale and deficiency.

13. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the note hereby secured.

14. The Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

15. If the payment of said indebtedness 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 said premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgage, notwithstanding such extension, variation or release.

16. Mortgagee shall release this Mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the execution of such release.

17. This Mortgage and all provisions hereof including Rider A attached hereto and made part hereof, shall extend to be and binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the note or this Mortgage. The word "Mortgage" when used herein shall include the successors and assigns of the Mortgage named herein and the holder or holders, from time to time, of the note secured hereby.

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The name of a record owner is:

This Mortgage, Exhibit A and the Rider A consists of 19 pages in total.

Witness the hand and seal of Mortgagor the day and year first above written.

ENVIROPUR WASTE REFINING AND TECHNOLOGY, INC.

BY: *Robert J. Wasse* (SEAL) _____ (SEAL)
ITS: Chairman

State of Illinois, County of Cook ss.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Robert J. Wasse is the Chairman of Enviropur Waste Refining and Technology, Inc. personally know to me to be the same person(s) whose name(s) _____ subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that Corporation signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 23rd day of January 19 97

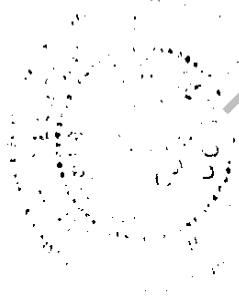
Commission Expires Nov 10 1997
"OFFICIAL SEAL"
KATHLEEN K. McDANIEL
Notary Public, State of Illinois
My Commission Expires Nov. 10, 1997
10 19 97 *Kathleen M. Daniel*
NOTARY PUBLIC

This instrument was prepared by Ronald A. Tash
Ronald A. Tash, Ltd.
640 N. La Salle Street, Suite 390
Chicago, Illinois 60610

Mail this instrument to Howard E. King
King, Purtich & Holmes
2121 Avenue of the Stars, 22nd Floor
Los Angeles, California 90067

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LEGAL DESCRIPTION EXHIBIT A

The land referred to is situated in the State of Illinois, County of Cook, and is described as follows:

The East 6.0 acres of that part of the North half of the Northwest quarter of Section 12, Township 38 North, Range 12, East of the third principal meridian, lying West of and adjoining the East 200 feet thereof and North of the Northwesterly line of the 26 foot right of way of the Chicago and Illinois Western Railroad.

ALSO

A parcel of land 26 feet wide located in the Northwest Quarter of Section 12, Township 38 North, Range 12, East of the third principal meridian, in McCook, Illinois, more particularly described as follows: Beginning at the Easterly line of property conveyed by the Chicago and Illinois Western Railroad to the Village of McCook by deed dated January 2, 1969 and recorded January 8, 1969 as Document Number 20722252, said parcel being 26 feet wide and extending Easterly a distance of 342 feet, more or less, to a line which is parallel with and 200 feet Westerly from the North and South center line of said Section 12, as measured at right angles thereto; the Southerly line of said 26 foot wide parcel being located 150 feet Northerly of and parallel to the Northerly line of the Atchison, Topeka and Santa Fe Railroad, all in Cook County, Illinois.

ALSO

Above 26 foot strip of land is subject to an easement granted to the Metropolitan Sanitary District of Greater Chicago by Chicago and Illinois Western Railroad September 26, 1957.

Permanent Real Estate Index Numbers: 18-12-101-011;
18-12-101-021; and 18-12-101-049

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RIDER "A" to Mortgage
dated January 23, 1996 by and
between Enviropur Waste Refining and Technology and
501164 B.C. Ltd

1. In the event of any inconsistency between the terms and provisions of this Rider A and the terms and provisions of the Mortgage to which it is attached, the terms and provisions of this Rider A shall prevail.

2. Other Lien. Mortgagor shall not create or suffer or permit any mortgage, lien, charge or encumbrance to attach to the Premises, whether such lien or encumbrance is inferior or superior to the lien of this Mortgage, excepting only (i) the lien of real estate taxes and assessments, if any, not due or delinquent, or (ii) as otherwise consented to and approved by Mortgagee in writing, in the sole discretion of Mortgagee.

3. Insurance Coverage. Mortgagor will insure and keep insured all of the buildings and improvements now or hereafter included within the Premises and each and every part and parcel thereof, against such perils and hazards as Mortgagee may from time to time reasonably require, and in any event including:

(a) Insurance against loss by fire, risks covered by the so-called extended coverage endorsement, and other risks as Mortgagee may reasonably require, in amounts equal to the full replacement value of the Premises.

(b) Public liability against bodily injury and property damage with such limits as Mortgagee may reasonably require.

4. Insurance Policies. All policies of insurance to be maintained and provided as required by Paragraph 3 hereof shall be in form, companies and amounts reasonably satisfactory to Mortgagee and all policies of casualty insurance shall have attached thereto clauses or endorsements in favor of and with loss payable to and in form satisfactory to Mortgagee (each specifically providing a lien holders loss payable clause) and shall include a provision therein requiring the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days prior written notice to Mortgagee. Mortgagor will deliver all policies, including additional and renewal policies to Mortgagee and, in case of insurance policies about to expire, Mortgagor will deliver renewal policies not less than thirty (30) days prior to the respective dates of expiration.

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5. Deposits for Taxes and Insurance Premiums. Mortgagee will not require Mortgagor to maintain any deposit with Mortgagor to insure payment of taxes and insurance premiums by Mortgagor provided Mortgagor is not or has not been in default under this Mortgage or the Note, or any other loan documents. Mortgagor will at all times upon payment of such taxes and insurance premiums or upon request by Mortgagee provide Mortgagee with evidence, satisfactory to Mortgagee, of payment of such taxes and insurance premiums which are due and payable. At such time as Mortgagee in its sole discretion shall require, Mortgagor will establish an escrow account with Mortgagee for payment of such taxes and insurance upon terms and provisions reasonably satisfactory to Mortgagee.

6. Mortgagee's Performance of Mortgagor's Obligations. In case of an Event of Default as defined herein or in the Mortgage Note or any other loan document, Mortgagee, either before or after acceleration of the Note 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 herein required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Mortgagee; and Mortgagee may, but shall not be required to, make any payment or perform any act herein required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any form and manner deemed expedient to Mortgagee; and 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, dispute or settle any tax lien or other 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 other monies advanced by 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 its intended purpose shall become immediately due and payable without notice, and with interest thereon at the rate of interest specified in the Note plus 1% (one percent) per month. Notwithstanding anything in this Paragraph to the contrary and prior to an occurrence of an Event of Default, Mortgagee, after providing Mortgagor with prior written notice (except such notice may be given after the

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following payments have been made where Mortgagee, in Mortgagee's sole discretion, deems it necessary to make such payment immediately to protect its interests), may make any payment hereby authorized (a) relating to taxes or assessments, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof (b) for the purchase, discharge, compromise or settlement of any other lien. Mortgagee may do so without inquiry as to the validity of any claim for lien.

7. Inspection of Premises and Records. Mortgagee shall have the right to inspect the Premises and all books, records and documents relating thereto at all reasonable times, and access thereto shall be permitted for that purpose.

8. Business Purpose. Mortgagor represents and agrees that the proceeds of the loan evidenced by the Notes secured by this Mortgage will be used for the purposes specified in Section 205/4, Paragraph (c) of Chapter 815 of the Illinois Compiled Statutes, as amended and that the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph.

9. Uniform Commercial Code. This Mortgage constitutes a security agreement under the Uniform Commercial Code of the State of Illinois (herein called the "Code") with respect to any part of the Premises which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (all for the purposes of this Paragraph 9 called "Goods" and also referred to as "Secured Property"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Goods as fully and to the same extent as to any other property comprising the Premises; and the following provisions of this Paragraph 9 shall not limit the generality or applicability of any other provision of this Mortgage but shall be in addition thereto:

(a) Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Goods, subject to no liens, charges or encumbrances other than the lien hereof.

(b) The Goods are to be used by Mortgagor solely for the conduct of its business operations and purposes, being installed upon the Premises for Mortgagor's own use.

(c) The Goods will be kept at the real estate comprised within the Premises, and will not be removed therefrom without the consent of the Mortgagee (being the Secured Party as that term is used in the Code and set forth in the Security Agreement of even date herewith between Mortgagor and Mortgagee) or any other person and the Goods

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may be affixed to such real estate but will not be affixed to any other real estate.

(d) The only entities having any interest in the Premises are Mortgagor and Mortgagee.

(e) Mortgagor will do all such acts as Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Goods as security subject to no adverse liens or encumbrances and Mortgagor will pay the cost of filing the same or filing or recording such financing statements or other documents, and this instrument, in all public offices wherever filing or recording is deemed by the Mortgagee to be necessary or desirable.

(f) The remedies of Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of Mortgagee, including having the Goods deemed part of the realty upon any foreclosure thereof so long as any part of the Indebtedness Hereby Secured remains unsatisfied.

(g) The terms and provisions contained in this Paragraph 9 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

10. Restrictions on Transfer. Borrower shall not without the prior written consent of Mortgagor, create, effect, consent to, suffer or permit any Prohibited Transfer (as herein defined) whether by operation of law or otherwise. A "Prohibited Transfer" shall be any sale or other conveyance, assignment, transfer, lien, pledge, mortgage, security interest, or other encumbrance or alienation, including but not limited to the entering into of any contract, sale, installment sale or sale under articles of agreement, the placement or granting of liens or the placement or granting of chattel mortgages, conditional sales contracts, financing or security agreements which would be or create a lien, the placement or granting of a mortgage commonly known as a "wrap around" mortgage or an improvement loan, or if any of the following specific acts occur, are granted, accomplished, attempted or effectuated without the prior written consent of Mortgagor.

In each case such conveyance, sale (installment or otherwise), assignment, transfer, lien, pledge, mortgage, security interest, encumbrance or alienation shall be deemed a Prohibited Transfer whether effected directly, indirectly, voluntarily involuntarily, by Mortgagee, or any third party, by operation of law or otherwise; provided, however, that the foregoing provisions of

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this Paragraph shall not apply to (i) liens securing the indebtedness evidenced hereby; and (ii) the liens of current taxes and assessments not yet due and payable. Any consent by Mortgagee or any waiver of any condition or default under this paragraph shall not constitute a consent to or waiver of any right, remedy or power of Mortgagee upon a subsequent default under this paragraph. Mortgagor acknowledges that any agreements, liens or encumbrances created in violation of the provisions of this paragraph shall, at the option of Mortgagee, be voidable and, if Mortgagee exercises the option to void such agreement, lien or encumbrance, it shall be of no further force and effect, and to the extent the provisions of this paragraph conflict with or are inconsistent with similar provisions of the Mortgage or any of the other Note, the provisions of this paragraph shall govern and control.

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

(a) Mortgagor fails to pay when due any installment of the Note (including any prepayment by acceleration or otherwise), which failure is not cured as provided therein;

(b) Any other default (as defined in the Mortgage) which default is not cured as provided therein;

(c) Mortgagor fails to comply with, keep or perform any of its respective obligations, agreements, undertakings, covenants, conditions or warranties under the terms of this Mortgage or the Note or any of them, or any other document or instrument executed and delivered by Mortgagor pursuant to this Mortgage or in connection with the loan and such failure continues for the period of time, if any, provided for curing the said default under such loan document or other document or instrument, or, if such failure is a failure to keep or perform any of Mortgagor's non-monetary obligations, agreements, undertakings, covenants or conditions hereunder, if such failure continues for the period of time specified in this Mortgage for curing defaults;

(d) Mortgagor fails to comply with (or to bond or indemnify Mortgagee to its satisfaction with regard to) any requirement of any governmental authority having jurisdiction over the Premises (including, without limitation, compliance with all applicable zoning, building, health, fire, flood and environmental laws, statutes, orders, rules, regulations and ordinances) within thirty (30) days after Mortgagor has notice of such requirement or earlier if required by such governmental authority;

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(e) If any representation, warranty, covenant, or statement made by or on behalf of Mortgagor herein, or in any other document or instrument furnished in connection with, pertaining to, or evidencing or securing the Loan shall prove to be false or misleading in any material respect;

(f) The occurrence of an event prohibited pursuant to Paragraph 10 hereof;

(g) If:

(1) Mortgagor shall file a voluntary petition in bankruptcy or for arrangement, reorganization or other relief under any chapter of the Federal Bankruptcy Act or any similar law, state or federal, now or hereafter in effect;

(2) Mortgagor shall file an answer or other pleading in any proceeding admitting insolvency, bankruptcy, or inability to pay its debts as they mature;

(3) Within thirty (30) days after the filing against Mortgagor of any involuntary proceeding under the Federal Bankruptcy Act or similar law, state or federal, now or thereafter in effect such proceedings shall not have been dismissed;

(4) All or a substantial part of the assets of Mortgagor are attached, seized, subjected to a writ or distress warrant, or are levied upon, unless such attachment, seizure, writ, warrant or levy is vacated within thirty (30) days;

(5) Mortgagor shall be adjudicated a bankrupt or shall have an order for relief entered in respect of such party by any bankruptcy court;

(6) 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 to a custodian, receiver or trustee or liquidator of all or the major part of its property or the Premises;

(7) Any order appointing a custodian, receiver, trustee or liquidator of Mortgagor on all or a major part of Mortgagor's property or the Premises is not vacated within thirty (30) days following the entry hereof; or

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(8) Mortgagee shall deem itself insecure in its reasonable discretion, in good faith, by reason of the occurrence of a material adverse change in the financial condition of Mortgagor.

Upon the occurrence of any such event, 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 Mortgagee hereunder to declare, without further notice, all indebtedness hereby secured to be immediately due and payable, whether or not such default be thereafter remedied by Mortgagor, and Mortgagee may immediately proceed to foreclose this Mortgage and/or exercise any right, power or remedy provided by this Mortgage, the Note, or by law or in equity conferred.

12. Possession by Mortgagee. When the Note shall become due, whether by acceleration or otherwise, Mortgagee shall, if applicable law permits, have the right to enter into and upon the Premises and take possession thereof or to appoint an agent or trustee for the collection of the rents, issues and profits of the Premises, and the net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, may be applied to the payment of taxes, insurance premiums and other charges applicable to the Premises, or in reduction of the Note; and the rents, issues and profits of and from the Premises and the Goods are hereby specifically pledged to the payment of the obligation of the Mortgagor.

13. Waiver. To the full extent provided by law, Mortgagor hereby covenants and agrees that it will not any time insist upon or plead, or in any manner whatsoever 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 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 any 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. To the full extent permitted by law, 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 acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and of all other persons shall be deemed to be hereby waived to the full extent allowed by the provisions of the Illinois Compiled Statutes and any statute enacted in replacement or substitution

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thereof. To the full extent permitted by law, Mortgagor will not take or utilize any such law or laws or otherwise hinder, or impede the exercise of any right, power or remedy herein otherwise granted or delegated to Mortgagee, but will suffer and permit the exercise of every such right, power and remedy as though no such law or laws have been made or enacted.

14. Hazardous Material. If Mortgagor shall receive: (A) any notice of any violation or administrative or judicial complaint or order having been filed or about to be filed against Mortgagor alleging violations of any law requiring Mortgagor to take any action in connection with the release of any toxic materials or hazardous wastes, pollutants or contaminants into the environment, or (B) any notice from any governmental agency or any other party alleging that Mortgagor may be liable or responsible for costs associated with a response or cleanup of a release of toxic materials, hazardous wastes, pollutants or contaminants into the environment or any damages caused by such release, Mortgagor, promptly upon receipt thereof, shall provide Mortgagee with a copy of such notice. Within five (5) days after having learned of the enactment or promulgation of any environmental law which may result in any material adverse change in the condition, financial or otherwise of Mortgagor or the Premises, Mortgagor, promptly upon receipt thereof, shall provide Mortgagee with notice thereof. Mortgagor after the date hereof (i) shall not use, allow or suffer any part of the Premises to be used as a facility for the handling, treatment, storage, or disposal of any toxic materials, hazardous wastes, pollutants or contaminants, or be used as a landfill, without the prior written consent of Mortgagee (which consent may be granted or denied in Mortgagee's sole and absolute discretion), and (ii) shall comply in all respect with the foregoing notices and in all events shall satisfy the requirements of and maintain the Premises in compliance with all federal, state and local environmental protection, occupational, health, safety and similar laws, ordinances, restrictions, licenses, and regulations, including, without limitation, the Federal Water Pollution Control Act (33 U.S.C. Sec. 1251 et seq.), Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.) Drinking Water Act (42 U.S.C. Sec. 300f et seq.), Toxic Substances Control Act (15 U.S.C. Sec. 2601 et seq.), Clean Air Act (42 U.S.C. Sec. 7401 et seq.), Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Sec. 9601 et seq.), Hazardous Materials Transportation Act (49 U.S.C. Sec. 1802 et seq.), and other comparable federal, state or local laws, statutes, ordinances, orders, decrees, rules and/or regulations, regulating, relating to or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste substance or material as now or at any time hereafter in effect (collectively, the "Environmental Laws:").

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15. Further Assurances. Mortgagor will do, execute, acknowledge and deliver all and every reasonable further acts, deeds, conveyances, transfers and assurances necessary or proper, in the sole judgment of Mortgagee, for the better assuring, conveying, mortgaging, assigning and confirming unto Mortgagee all property mortgaged hereby or property intended so to be; whether now owned by Mortgagor or hereafter acquired.

16. Rights Cumulative. Each right, power and remedy herein conferred upon 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 to 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 Mortgagee in the exercise of any right, power or remedy accruing 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.

17. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns (including, without limitation, each and every record owner from time to time of the Premises or any other person having an interest therein), and shall inure to the benefit of Mortgagee and its successors and assigns. Whenever herein Mortgagee is referred to, such reference shall be deemed to include the holders from time to time of the Note whether so expressed or not, and each such from time to time holders of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every one 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 were herein by name specifically granted such rights, privileges, powers, options and benefits and was herein by name designated Mortgagee.

18. Representations and Warranties. The Mortgagor represents and warrants as follows:

(a) The party executing the Mortgage and related documents has the full corporate authority to bind the Mortgagor.

(b) This execution and recording of the Mortgage is not a violation of any loans or covenants with any lenders to the mortgagor.

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

20. Time of the Essence. Time is of the essence of the Note, this Mortgage and other loan documents.

21. Captions and Pronouns. The captions and headings of the various sections of the 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 shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

22. Notices. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing, and the mailing thereof by certified or equivalent mail, postage prepaid, return receipt requested, to the respective addresses of the parties set forth below, or to such other place as any party hereto may by notice in writing designate for itself, shall constitute service of notice hereunder upon proper deposit in the United States mail:

(a) If to Mortgagee:

Enviropur Waste Refining and Technology, Inc.
150 South Wacker Drive
Suite 675
Chicago, Illinois 60606

with a copy to:

Howard E. King
King, Purtich & Holmes
2121 Avenue of the Stars
Twenty-Second Floor
Los Angeles, California 90067

(b) If to Mortgagor:

with a copy to:

MORTGAGOR

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