

FILED  
GR: S. C.  
On December 21 2 47 PM '81  
FABRI-KAL CORPORATION, a Michigan Corporation  
of 3303 E. Cork St., Kalamazoo, MI 49001  
MERSLEY

("mortgagors") mortgage and warrant to FIRST NATIONAL BANK AND TRUST COMPANY OF MICHIGAN, a national banking association, 108 E. Michigan Ave., Kalamazoo, Michigan, its successors or assigns, ("mortgagee"), the real estate in the Greenville County, ~~Michigan~~ South Carolina, described as:

See Schedule "A" attached hereto and incorporated herein by reference.

Subject to any and all conditions, restrictions, limitations and easements of record;

(This Mortgage is granted pursuant to the terms and conditions of a certain Credit Agreement by and between Mortgagor and Mortgagee of even date and a default in the terms thereof, or in the terms of any Promissory Note executed pursuant thereto shall constitute a default in the terms of this Mortgage, including paragraph 5 hereof. The Note referred to herein shall include the Credit Agreement previously described and all Promissory Notes executed pursuant thereto together with any renewals, modifications, or extensions thereof. This debt is also secured by a Security Agreement of even date covering fixtures, equipment and other personal property and a default in the terms of either this Mortgage or said Security Agreement shall constitute a default of both.)

This Mortgage is given to secure payment of the Greenville County Industrial Revenue Bond (Fabri-Kal Project) Series 1981-A and B pursuant to two Letters of Credit and the above-referenced Credit Agreement

together with all tenements, hereditaments and appurtenances thereof, any and all buildings and other structures now or hereafter erected upon the premises and all fixtures and all personal property now or hereafter attached to or used in connection with the premises, which are declared and shall be deemed to be fixtures and accessions to the freehold and a part of the real estate and a portion of the security for the mortgage indebtedness to secure the performance of the covenants contained in this mortgage and the repayment of the sum of -----FIVE MILLION AND NO/100-----

-----(\$5,000,000.00)-----DOLLARS,  
with interest, according to the terms of a ~~promissory note~~ Credit Agreement and all promissory notes made pursuant thereto mortgagee, and the mortgagors hereby covenant and agree to pay the same according to its terms, and any renewal or renewals thereof. This mortgage is also given as security for any other indebtedness, direct or indirect, contingent or otherwise, now or at any time owing in any capacity by the mortgagors or any of them to the mortgagee.

The mortgagors further covenant and agree as follows:

1. Mortgagors will pay all lawful taxes and assessments levied on the premises before they become delinquent, and, upon request of the mortgagee, will deliver to mortgagee the paid receipts. Mortgagee may pay delinquent taxes or assessments and any such payments shall be added to the sum secured by this mortgage and bear the same rate of interest.

2. Mortgagors will keep all buildings and structures located on the premises insured against loss and damage in an amount, and in such companies and against such hazards as mortgagee may legally and reasonably require, with the policy made payable in case of loss to the mortgagee. At mortgagee's option the proceeds of loss under such policy shall be applied to pay the sums secured by this mortgage whether or not the indebtedness would be due by its terms. Mortgagee may pay overdue premiums or purchase its own insurance if mortgagors do not comply with the terms of this paragraph. The cost of the premiums paid by mortgagee shall be added to the sum secured by this mortgage and bear the same rate of interest.

3. Mortgagors will keep the premises in good repair and will abstain from the commission of waste on the premises. Waste shall include, but not be limited to, the failure of mortgagors to comply with all laws, ordinances and regulations affecting the premises or its use. Mortgagee may make repairs or maintain the premises if mortgagors fail to do so, and the cost for the same shall be added to the sum secured by this mortgage and bear the same rate of interest. Mortgagors give mortgagee, or its agents, the irrevocable right to enter upon the premises and make or cause to be made the repairs or maintenance mortgagee considers necessary to preserve the property and the mortgage security.

4. If this box [X] is checked in any manner the mortgagors assign to the mortgagee, as additional mortgage security, all the rents under any oral or written leases upon the mortgaged premises, such assignment to be binding on the mortgagors only in the event of default in the terms and conditions of this mortgage.

5. Violation by the mortgagors of any of the terms and conditions of this mortgage ~~or any promissory note made pursuant thereto~~ or Credit Agreement or any promissory note made pursuant thereto or of the terms and conditions of any other indebtedness secured by this mortgage shall be a default. If such default continues for a period of 30 days, or if the mortgagors title to the premises shall become vested in another, or if the mortgagors shall sell or convey the premises without the consent of mortgagee, mortgagee may declare all sums unpaid and secured hereby to be due and payable at once and may foreclose this mortgage. Mortgagors waive notice of such acceleration or foreclosure. At the option of mortgagee, this mortgage shall remain in full force and effect and not subject to discharge until such time as all indebtedness secured hereby, whether the same be reflected by the original mortgage promissory note or not, is paid in full in accord with the terms and conditions of the individual evidences of indebtedness.