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Eugene "Gene" Moore Fee: \$42.00  
Cook County Recorder of Deeds  
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This Document Prepared By  
and After Recording Return To:

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**FIRST SUPPLEMENT TO MORTGAGE AND  
SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS**

This First Supplement to Mortgage and Security Agreement with Assignment of Rents dated as of October 14, 2003 (the "*Supplement*") is being entered into between Lewis Spring and Mfg. Company, an Illinois corporation (the "*Mortgagor*") and Harris Trust and Savings Bank, an Illinois banking corporation (the "*Mortgagee*");

**WITNESSETH THAT:**

WHEREAS, Mortgagor did heretofore execute and deliver to Mortgagee that certain Mortgage and Security Agreement with Assignment of Rents dated as of October 7, 1996, and recorded in the Recorder's Office of Cook County, Illinois on October 7, 1996, as Document No. 96-786117 (the "*Mortgage*"), encumbering the property described on Schedule I attached hereto, in order to secure certain indebtedness, now or from time to time owing by Mortgagor to Mortgagee; and

WHEREAS, Mortgagee heretofore issued its irrevocable transferable letter of credit in the original stated amount of \$3,281,165 for the account of Mortgagor (such letter of credit, as amended, and any and all letters of credit issued in renewal thereof or in substitution or replacement therefor, being hereinafter referred to as the "*Letter of Credit*") pursuant to that certain Reimbursement Agreement dated as of August 1, 1996 (the "*Reimbursement Agreement*"), between Mortgagor and Mortgagee, which Letter of Credit has been issued to secure \$3,250,000 aggregate principal amount of the Village of Niles, Cook County, Illinois, Variable Rate Demand Industrial Development Revenue Bonds (Lewis Spring and Mfg. Company Project) which Bonds mature on August 1, 2026; and

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WHEREAS, the stated expiration date of the Letter of Credit currently is July 15, 2004, and may be extended to August 15, 2026; and

WHEREAS, under the terms of the Reimbursement Agreement, the Mortgagor is justly and truly obligated to reimburse Mortgagee for any drawings made under the Letter of Credit and to pay to Mortgagee all other indebtedness, obligations and liabilities of the Mortgagor to Mortgagee under the Reimbursement Agreement or under any other Related Document (as defined in the Reimbursement Agreement), together with interest thereon at the rates set forth in the Reimbursement Agreement (hereinafter referred to collectively as the "*Reimbursement Obligations*"); and

WHEREAS, the Mortgage currently secures, among other things, the Reimbursement Obligations; and

WHEREAS, the Mortgagor and Mortgagee are parties to that certain Amended and Restated Credit Agreement dated as of April 26, 1996, as amended by the First Amendment thereto dated as of September 16, 1996, the Second Amendment thereto as of June 30, 1998, the Third Amendment thereto dated as of August 16, 1999, the Fourth Amendment thereto dated as of March 31, 2000, the Fifth Amendment thereto dated as of May 31, 2000, the Sixth Amendment thereto dated as of February 27, 2001, the Seventh Amendment thereto dated as of June 6, 2001, and the Eighth Amendment thereto as of June 11, 2001, true and correct copies of which are on file at the office of Mortgagee specified above (said Amended and Restated Credit Agreement, as the same has been and may be further amended, modified or restated from time to time, being herein referred to as the "*Credit Agreement*"); and

WHEREAS, the Mortgagor has entered into a Ninth Amendment and Waiver to Amended and Restated Credit Agreement with Mortgagee dated as of October 14, 2003 (the "*Ninth Amendment*") whereby Mortgagee has agreed, subject to certain terms and conditions, to (i) make available to Mortgagor a revolving credit (the "*Revolving Credit*") in the principal amount not to exceed \$830,000 at any one time outstanding during the period ending on May 31, 2004 (the "*Termination Date*"), which Revolving Credit is made available to the Mortgagor in the form of loans, and (ii) to restructure a term loan extended by the Mortgagee to the Mortgagor on or about June 6, 2001, in the original principal amount of \$500,000, the outstanding balance of which as of October 14, 2003, is \$275,000 (the "*Term Loan*"), which loan shall mature in principal installments, with a final payment in the amount of all principal not sooner paid due and payable on the Termination Date; and

WHEREAS, (i) loans from time to time made under the Revolving Credit are evidenced by a promissory note (the "*Revolving Note*") payable to the order of Mortgagee in the principal amount of \$830,000, whereby Mortgagor promises to pay loans evidenced thereby on the Termination Date with interest as set forth in the Credit Agreement, and (ii) the Term Loan is evidenced by a promissory note (the "*Term Note*") payable to the order of Mortgagee in the original principal amount of \$275,000, whereby Mortgagor promises to pay the Term Loan, with interest as set forth in the Credit Agreement, in installments as therein provided for no later than the Termination Date, the final maturity thereof (the Revolving Note and Term Note and all promissory notes issued in substitution or replacement therefor or an extension or renewal

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thereof, in each case as the same may be amended or modified from time to time, being hereinafter referred to collectively as the "Notes" and individually as a "Note"); and

WHEREAS, as a condition precedent to entering into the Ninth Amendment and the making of certain other financial accommodations to Mortgagor, Mortgagee requires Mortgagor, and to accommodate that requirement Mortgagor desires by this Supplement, to confirm and assure that all the real estate and other properties, rights, interests and privileges of Mortgagor which are currently subject to the lien of the Mortgage be and constitute collateral security for the Revolving Note, the Term Note and Mortgagor's other indebtedness, obligations and liabilities under or related to the Credit Agreement, as well as the Reimbursement Obligations and the other indebtedness currently secured by the Mortgage; and

WHEREAS, the Mortgage is to continue to secure all the indebtedness now secured thereby, this Supplement being executed and delivered to confirm and assure the foregoing;

NOW, THEREFORE, for and in consideration of the execution and delivery by Mortgagee of the Ninth Amendment, and other good and valuable consideration, receipt whereof is hereby acknowledged, the Mortgage shall be and hereby is supplemented and amended as follows, to wit:

NOW, THEREFORE, to secure (i) the payment of all principal and interest and premium on the Notes as and when the same become due and payable (whether by lapse of time, acceleration or otherwise) and all advances now or hereafter evidenced hereby (including, without limitation, interest which but for the filing of a petition in bankruptcy with respect to the Mortgagor would accrue on the Notes), (ii) the payment of the Reimbursement Obligations as and when the same becomes due and payable (whether by lapse of time, acceleration or otherwise) and all advances now or hereafter evidenced thereby, (iii) the payment of all other indebtedness, obligations and liabilities which this Mortgage secures pursuant to any of its terms, (iv) the payment of all fees and charges payable by the Mortgagor under the Reimbursement Agreement and the Credit Agreement, (v) the observance and performance of all covenants and agreements contained herein, in the Reimbursement Agreement, in the Credit Agreement and in any other instrument or document at any time evidencing, securing or otherwise relating to any of the foregoing indebtedness, obligations or liabilities or setting forth terms and conditions applicable thereto (all of such indebtedness, obligations and liabilities described in clauses (i), (ii), (iii), (iv) and (v) above being hereinafter collectively referred to as the "*indebtedness hereby secured*"), Mortgagor does hereby grant, bargain, sell, convey, mortgage, warrant, assign, and pledge unto Mortgagee, its successors and assigns, and grant to Mortgagee, its successors and assigns, a continuing security interest in, all and singular the properties, rights, interests and privileges described in Granting Clauses I, II, III, IV, V and VI of the Mortgage, each and all of such Granting Clauses being hereby incorporated by reference herein with the same force and effect as though set forth herein in their entirety. The foregoing grant of a lien is in addition to and supplemental of and not in substitution for the grant of the lien created and provided for by the Mortgage, and nothing herein contained shall affect or impair the lien or priority of the Mortgage as to the indebtedness which would be secured thereby prior to giving effect to this Supplement.

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NOW, FURTHERMORE, Section 17 of the Mortgage shall be amended and supplemented by deleting the period at the end clause (k) and inserting in its place a comma followed by the word "or" and adding a new clause (l) that shall read as follows:

(l) any event occurs or condition exists which is specified as an Event of Default in the Credit Agreement.

NOW, FURTHERMORE, Section 32 of the Mortgage shall be amended and restated in its entirety to read as set forth below:

32. *Revolving Credit Loan.* This Mortgage is given to secure, among other things, amounts advanced by Mortgagee pursuant to drawings under the Letter of Credit and advances made against the Notes and shall secure not only presently existing indebtedness under the Reimbursement Agreement and the Credit Agreement but also future advances, whether such advances are obligatory or to be made at the option of Mortgagee, or otherwise, as are made within twenty (20) years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no indebtedness hereby secured outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all indebtedness hereby secured, including future advances, from the time of its filing for record in the recorder's or registrar's office in the county in which the Mortgaged Premises are located. The total amount of indebtedness hereby secured may increase or decrease from time to time, but the total unpaid balance of indebtedness hereby secured (including disbursements which Mortgagee may make under this Mortgage, the Reimbursement Agreement, the Credit Agreement or any other documents related thereto) at any one time outstanding shall not exceed a maximum principal amount of Six Million Five Hundred Thousand Dollars (\$6,500,000) plus interest thereon and any disbursements made for payment of taxes, special assessments or insurance on the Mortgaged Premises and interest on such disbursements (all such indebtedness being hereinafter referred to as the "*maximum amount secured hereby*"). This Mortgage shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Mortgaged Premises, to the extent of the maximum amount secured hereby.

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In order to induce Mortgagee to enter into the Ninth Amendment, and to accept this Supplement, Mortgagor hereby further covenants and agrees with, and represents and warrants to, Mortgagee as follows:

1. Mortgagor hereby represents and warrants to Mortgagee that as of the date hereof each of the representations and warranties set forth in the Mortgage as supplemented hereby are true and correct and that, after giving effect to the Ninth Amendment, no Event of Default (as such term is defined in the Mortgage), or any other event which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default, exists or shall result after giving effect to this Supplement. Mortgagor hereby repeats and reaffirms all covenants and agreements contained in the Mortgage, each and all of which shall be applicable to all of the indebtedness secured by the Mortgage as supplemented hereby. The Mortgagor repeats and reaffirms its covenant that all the indebtedness secured by the Mortgage as supplemented hereby will be promptly paid as and when the same becomes due and payable.
2. All capitalized terms used herein without definition shall have the same meanings herein as they have in the Mortgage. The definitions provided herein of any capitalized terms shall apply to such capitalized terms as the same appear in the Mortgage as supplemented hereby, all to the end that any capitalized terms defined herein and used in the Mortgage as supplemented hereby shall have the same meanings in the Mortgage as supplemented hereby as are given to such capitalized terms herein. Without limiting the foregoing, all references in the Mortgage to the term "*indebtedness hereby secured*" shall be deemed references to all the indebtedness, obligations and liabilities secured by the Mortgage as supplemented hereby.
3. All of the provisions, stipulations, powers and covenants contained in the Mortgage shall stand and remain unchanged and in full force and effect except to the extent specifically modified hereby and shall be applicable to all of the indebtedness, obligations and liabilities secured by the Mortgage as supplemented hereby.
4. Mortgagor acknowledges and agrees that the Mortgage as supplemented hereby is and shall remain in full force and effect, and that the Mortgaged Premises are and shall remain subject to the lien and security interest granted and provided for by the Mortgage for the benefit and security of all the indebtedness hereby secured, including without limitation the loans made by Mortgagee to the Mortgagor under the Credit Agreement which are to be evidenced by the Revolving Note and the Term Note; it being the expressed intent of the parties that the indebtedness heretofore described is not discharged but merely increased pursuant to the terms hereof. Without limiting the foregoing, Mortgagor hereby agrees that, notwithstanding the execution and delivery hereof, (i) all rights and remedies of Mortgagee under the Mortgage, (ii) all obligations of Mortgagor thereunder and (iii) the lien and security interest granted and provided for thereby are and as amended hereby shall remain in full force and effect for the benefit and security of all the indebtedness hereby secured, it being specifically understood and agreed that this Supplement shall constitute and be, among other things, an acknowledgment and continuation of the rights, remedies, lien and security interest in favor of Mortgagee, and of the obligations of Mortgagor to Mortgagee, which exist under the Mortgage as supplemented hereby.

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5. This Supplement may be executed in any number of counterparts and by different parties hereto on separate counterpart signature pages, each of which when so executed shall be an original but all of which to constitute one and the same instrument.

6. No reference to this Supplement need be made in any note, instrument or other document making reference to the Mortgage, any reference to the Mortgage in any of such to be deemed to be a reference to the Mortgage as supplemented hereby. This instrument shall be construed and governed by and in accordance with the laws of the State of Illinois.

7. Wherever herein any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements by or on behalf of Mortgagor, or by or on behalf of Mortgagee, or by or on behalf of the holder or holders of the indebtedness hereby secured contained in the Mortgage as supplemented hereby shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

[SIGNATURE PAGE TO FOLLOW]

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IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed the day and year first above written.

LEWIS SPRING AND MFG. COMPANY

By *Mark H. Dressik*  
Name Mark H. Dressik  
Title President

Accepted and agreed to by Mortgagee as of the day and year first above written.

HARRIS TRUST AND SAVINGS BANK

By *Sandra Sanders*  
Name SANDRA J SANDERS  
Title VICE PRESIDENT

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## SCHEDULE I

### LEGAL DESCRIPTION

THE SOUTH 200.0 FEET (AS MEASURED PERPENDICULARLY TO THE SOUTH LINE THEREOF) OF THE EAST 20 ACRES OF THE NORTH 30 ACRES OF THE EAST 1/2 OF THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THE EAST 316.0 FEET AND THE WEST 125.0 FEET (BOTH AS MEASURED PERPENDICULARLY TO THE RESPECTIVE EAST LINE AND EAST LINE) OF SAID 20 ACRES IN COOK COUNTY, ILLINOIS.

P.I.N. 10-30-401-015-0000

Property Address: 7500 N. Natchez Avenue  
Niles, Illinois

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