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Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
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This Document Prepared By
and After Recording Return To:

Matthew P. Huebsch
Chapman and Cutler LLP
111 West Monroe Street
Chicago, Illinois 60603

2007 SA 3650033 (HH) DPF

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USE ONLY

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SECOND SUPPLEMENT TO MORTGAGE AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS

This Second Supplement to Mortgage and Security Agreement with Assignment of Rents dated as of November 1, 2007 (the "*Supplement*") is being entered into between Marquette National Bank, not individually but as Trustee under Trust Agreement dated November 17, 1994 and known as Trust Number 13268 (hereinafter referred to as "*Mortgagor*"), and Harris N.A. (successor by merger to Harris Trust and Savings Bank), a national banking association with its mailing address at 111 West Monroe Street, Chicago, Illinois 60603 (hereinafter referred to as "*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 December 18, 2001, and recorded in the Recorder's Office of Cook County, Illinois on December 24, 2001, as Document No. 0011223042, as supplemented by that certain First Supplement to Mortgage and Security Agreement with Assignment of Rents dated as of September 19, 2003, and recorded in the Recorder's Office of Cook County, Illinois on October 24, 2003, as Document No. 032971967 (collectively, the "*Mortgage*"), encumbering the property described on Schedule I attached hereto, in order to secure certain indebtedness of Mortgagor now or from time to time owing to Mortgagee; and

WHEREAS, the Mortgage currently secures, among other things, the obligations of John Hofmeister & Son, Inc., an Illinois corporation (the "*Company*") to reimburse Mortgagee for any drawings made under that certain Irrevocable Transferable Letter of Credit dated December 18, 2001, issued by Mortgagee for the account of the Company (the "*Letter of*

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Credit”), and to pay to Mortgagee all other indebtedness, obligations and liabilities of the Company to Mortgagee under that certain Reimbursement Agreement dated as of June 1, 2001 (the “*Reimbursement Agreement*”) between the Company and Mortgagee or under any other Related Documents (as defined in the Reimbursement Agreement), together with interest thereon prior to maturity at the rates per annum as set forth in the Reimbursement Agreement and at the times herein and therein provided (hereinafter referred to collectively as the “*Reimbursement Obligations*”); and

WHEREAS, the Mortgage currently secures, among other things, the obligations of the Company under that certain Business Loan Agreement with Mortgagee dated as of June 5, 2002 (the Business Loan Agreement, as amended, and as may be further amended from time to time being referred to herein as the “*Credit Agreement*”), pursuant to which the Company has executed and delivered to Mortgagee a Promissory Note of the Company dated June 5, 2002, payable to the order of Mortgagee in the original principal sum of \$1,750,000, which amount was increased to \$2,250,000, whereby Mortgagor promises to pay said principal sum (or so much thereof as may be outstanding at the maturity thereof) on the maturity date thereof, together with interest thereon prior to maturity at the rates and payable at the times provided for in the Credit Agreement (such Promissory Note, as may be amended from time to time, and any and all notes issued in extension or renewal thereof or in substitution or replacement therefor, being hereinafter referred to as the “*Note*”); and

WHEREAS, the Company may from time to time (i) enter into one or more agreements with respect to, among other things, interest rate, foreign currency and/or commodity exchange, swap, cap, collar, floor, forward, option or other similar agreements Mortgagee or its affiliates, for the purpose of hedging or otherwise protecting against interest rate, foreign currency and/or commodity exposure (the liability of the Mortgagor and its subsidiaries in respect of such Hedging Agreements being hereinafter referred to as “*Hedging Liability*”), and (ii) enter into one or more agreements with Mortgagee or its affiliates, with respect to the execution or processing of electronic transfer of funds by automatic clearing house transfer, wire transfer or otherwise to or from any deposit account of Mortgagor or any subsidiary thereof now or hereafter maintained with Mortgagee or its affiliates, the acceptance for deposit or the honoring for payment of any check, draft or other item with respect to any such deposit accounts, and other deposit, disbursement, and cash management services afforded to Mortgagor or any subsidiary thereof by Mortgagee or its affiliates (the liability of Mortgagor and its subsidiaries in respect of such Funds Transfer and Deposit Account Agreements being hereinafter referred to as “*Funds Transfer and Deposit Account Liability*”);

WHEREAS, concurrently herewith, the Mortgagee has issued its Irrevocable Transferable Letter of Credit dated November 28, 2007, in the original stated amount of \$3,028,768 for the account of the Company (the “*2007 Letter of Credit*”), pursuant to terms of that certain Reimbursement Agreement dated as of November 1, 2007 (the “*2007 Reimbursement Agreement*”), between the Company and the Mortgagee, which 2007 Letter of Credit has been issued to secure \$3,000,000 aggregate principal amount of the Illinois Finance Authority Variable Rate Demand Industrial Development Revenue Bonds (John Hofmeister & Son, Inc. Project), Series 2007 (the “*2007 Bonds*”), which 2007 Bonds mature on December 1, 2037; and

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WHEREAS, the stated expiration date of the 2007 Letter of Credit is initially December 15, 2010, and may be extended to December 15, 2037; and

WHEREAS, under the terms of the 2007 Reimbursement Agreement, the Company is justly and truly obligated to reimburse Mortgagee for any drawings made under the 2007 Letter of Credit and to pay to Mortgagee all other indebtedness, obligations and liabilities of the Company to Mortgagee under the 2007 Reimbursement Agreement or under any other Related Document (as defined in the 2007 Reimbursement Agreement), together with interest thereon prior to maturity at the rates per annum as set forth in the 2007 Reimbursement Agreement and at the times herein and therein provided (hereinafter referred to collectively as the "2007 Reimbursement Obligations"); and

WHEREAS, the 2007 Reimbursement Obligations not sooner paid will become due and payable on the Termination Date (as defined in the 2007 Reimbursement Agreement); and

WHEREAS, in consideration for and as a condition precedent to issuing the 2007 Letter of Credit and entering into the 2007 Reimbursement Agreement and making certain other financial accommodations to the Company, Mortgagee requires the 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 2007 Reimbursement Obligations as well as the indebtedness currently secured; 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 for issuing the 2007 Letter of Credit and entering into the 2007 Reimbursement Agreement, 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:

To secure (i) the payment of the Reimbursement Obligations and the 2007 Reimbursement Obligations as and when the same becomes due and payable (whether by demand, lapse of time, acceleration or otherwise), (ii) the payment of all principal and premium, if any, of and interest on the Note and any and all notes issued in extension or renewal thereof or in substitution or replacement therefor as and when the same becomes due and payable (whether by demand, lapse of time, acceleration or otherwise) and all advances now or hereafter evidenced thereby, (iii) the payment of all sums due or owing with respect to the Hedging Liability or Funds Transfer and Deposit Account Liability, (iv) the payment of all fees and other sums owing under the Reimbursement Agreement, the 2007 Reimbursement Agreement and the Credit Agreement, and all other indebtedness, obligations and liabilities which this Mortgage secures pursuant to any of its terms and (v) the observance and performance of all covenants and agreements contained herein, in the Reimbursement Agreement, in the 2007 Reimbursement Agreement, in the Credit Agreement, in the Note and in any other instrument or document at any time evidencing or securing any of the foregoing or setting forth terms and conditions applicable thereto (all of such indebtedness, obligations and liabilities referred to in clauses (i), (ii), (iii),

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(iv) and (v) above being hereinafter referred to as the “*Secured Indebtedness*”), Mortgagor does hereby grant, bargain, sell, convey, mortgage, warrant, assign, and pledge unto Mortgagee, and its successors and assigns, and grant to Mortgagee, and its successors and assigns, a security interest in, all and singular that certain real estate lying and being in Cook County in the State of Illinois described on Schedule I attached hereto and made a part hereof, together with all of the properties, rights, interests and privileges described in Granting Clauses I through VIII, both inclusive, 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.

In order to induce Mortgagee to enter into the 2007 Reimbursement Agreement, issue the 2007 Letter of Credit, and to accept this Supplement, Mortgagor hereby further covenants and agrees with, and represents and warrants to, Mortgagee as follows:

1. The Mortgage shall be and hereby is further amended as follows:

(a) The last paragraph on page 3 of the Mortgage (which ends on page 4 of the Mortgage) shall be amended in its entirety, and as so amended shall be restated to read as follows:

It is expressly understood and agreed that the Secured Indebtedness will in no event exceed two hundred percent (200%) of (i) the total face amount of the Letter of Credit, plus (ii) the total interest which may hereafter accrue on the Reimbursement Obligations, plus (iii) the total face amount of the Note, plus (iv) the total interest that may hereafter accrue on the Note, plus (v) the total face amount of the 2007 Letter of Credit, plus (vi) the total interest which may accrue on the 2007 Reimbursement Obligations, plus (vii) any fees, costs or expenses which may be payable hereunder.

(b) Section 18 of the Mortgage is amended by deleting “.” appearing at the end of subsection (h) thereof and substituting therefor “; or” and by adding the following new subsections (i) immediately thereafter:

“(i) the occurrence of an Event of Default (as defined in the 2007 Reimbursement Agreement) under the 2007 Reimbursement Agreement.”

(c) The first clause of Section 19 of the Mortgage shall be amended in its entirety, and as so amended shall be restated to read as follows:

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In addition to any other rights and remedies which may be available to the Mortgagee under the Related Documents (as defined in the Reimbursement Agreement), the Credit Agreement or the Related Documents (as defined in the 2007 Reimbursement Agreement) and under applicable law or in equity,

(d) The first sentence of Section 30 of the Mortgage is amended in its entirety, and as so amended shall be restated to read as follows:

This Mortgage is given, in part, to secure amounts (i) advanced by Mortgagee pursuant to drawings under the Letter of Credit, (ii) owing under the Credit Agreement and the Notes, and (iii) advanced by Mortgagee pursuant to drawings under the 2007 Letter of Credit and shall secure not only existing Secured Indebtedness but also such future advances, 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 Secured Indebtedness outstanding at the time any advance is made.

(e) Section 30 of the Mortgage is further amended by deleting the amount "\$15,700,000" appearing therein and substituting therefor the amount "\$22,700,000."

(f) Section 38 of the Mortgage is amended in its entirety to read as follows:

"38. *Terms of Agreements Not Superseded.* Nothing contained herein shall be deemed or construed to permit any act or omission which is prohibited by the terms of the Credit Agreement, the Note, the Reimbursement Agreement, the 2007 Reimbursement Agreement or any other Related Document (as such term is defined in both the Reimbursement Agreement and the 2007 Reimbursement Agreement) and the covenants and agreements contained herein are in addition to and not in substitution for the covenants and agreements contained in the Credit Agreement, the Reimbursement Agreement, the 2007 Reimbursement Agreement and the Related Documents (as such term is defined in both the Reimbursement Agreement and the 2007 Reimbursement Agreement)."

2. 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 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, has occurred and is continuing or shall result after giving effect to this Supplement. Mortgagor hereby repeats and reaffirms all covenants and agreements contained in

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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.

3. 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 "*Secured Indebtedness*" shall be deemed references to all the indebtedness, obligations and liabilities secured by the Mortgage as supplemented hereby.

4. 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.

5. 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 Secured Indebtedness, including without limitation the 2007 Reimbursement Obligations and all other amounts owing under the 2007 Reimbursement Agreement. 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 Secured Indebtedness, it being specifically understood and agreed that this Supplement shall constitute and be, among other things, an acknowledgement and continuation of the rights, remedies, lien and security interest in favor of Mortgagee, and of the obligations of Mortgagor and the Company to Mortgagee, which exist under the Mortgage as supplemented hereby.

6. 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.

7. 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.

8. 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

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the holder or holders of the Secured Indebtedness 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.

9. This Supplement is executed by Marquette National Bank, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said Reimbursement Agreement, the 2007 Reimbursement Agreement or Credit Agreement contained shall be construed as creating any liability on said Trustee personally to pay the said Secured Indebtedness or any interest that may accrue thereon, or any other indebtedness accruing hereunder, or to perform any covenant, either express or implied, herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as said Trustee personally is concerned, the legal holder or holders of said Secured Indebtedness and the owner or owners of any other indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said Reimbursement Agreement, the 2007 Reimbursement Agreement or Credit Agreement provided or by action to enforce the personal liability of any guarantors of the Secured Indebtedness or by proceeding against any other collateral security therefor.

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

MARQUETTE NATIONAL BANK, not individually but as Trustee under Trust Agreement dated November 17, 1994 and known as Trust Number 13268

Elizabeth Grist
ASST. SECRETARY

By: [Signature]
Its: ASST. V.P. & TRUST OFFICER

JOINDER OF BENEFICIARY

The undersigned, being the owner of 100 percent of the beneficial interest in and being the sole beneficiary of the Mortgagor under the foregoing Second Supplement to Mortgage and Security Agreement with Assignment of Rents, hereby consents to and joins in the terms and conditions of the foregoing Second Supplement to Mortgage and Security Agreement with Assignment of Rents, intending hereby to bind any interest it or its successors or assigns may have in the premises described in the foregoing Second Supplement to Mortgage and Security Agreement with Assignment of Rents, as fully and with the same effect as if the undersigned was named as the Mortgagor in the said Second Supplement to Mortgage and Security Agreement with Assignment of Rents solely for the purposes therein set forth.

Dated as of the date first above written.

EDGAR J. HOFMEISTER

By: [Signature]
Its: Beneficiary

Accepted and agreed to in Chicago, Illinois as of the day and year first above written.

HARRIS N.A. (successor by merger to Harris Trust and Savings Bank)

By
Name: _____
Title: _____

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

MARQUETTE NATIONAL BANK, not individually
but as Trustee under Trust Agreement dated
November 17, 1994 and known as Trust
Number 13268

By: _____
Its: _____

JOINDER OF BENEFICIARY

The undersigned, being the owner of 100 percent of the beneficial interest in and being the sole beneficiary of the Mortgagor under the foregoing Second Supplement to Mortgage and Security Agreement with Assignment of Rents, hereby consents to and joins in the terms and conditions of the foregoing Second Supplement to Mortgage and Security Agreement with Assignment of Rents, intending hereby to bind any interest it or its successors or assigns may have in the premises described in the foregoing Second Supplement to Mortgage and Security Agreement with Assignment of Rents, as fully and with the same effect as if the undersigned was named as the Mortgagor in the said Second Supplement to Mortgage and Security Agreement with Assignment of Rents solely for the purposes therein set forth.

Dated as of the date first above written.

EDGAR J. HOFMEISTER

By: _____
Its: _____

Accepted and agreed to in Chicago, Illinois as of the day and year first above written.

HARRIS N.A. (successor by merger to Harris
Trust and Savings Bank)

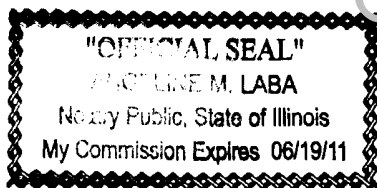
By: Gene L. Padgett
Name: GENE L. PADGETT
Title: VICE PRESIDENT

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, ANGELINE M. LABA, a Notary Public in and for said County, in the State aforesaid, do hereby certify that GLENN E. SKINNER JR. the ASST. V.P. & TRUST OFFICER & ELIZABETH GRIST the ASST. SECRETARY of Marquette National Bank, not individually but as Trustee under Trust Agreement dated November 17, 1994 and known as Trust Number 13268, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such ASST. V.P. & TRUST OFFICER & ASST. SECRETARY appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said land trust, as Trustee as aforesaid, for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 16th day of NOVEMBER, 2007.

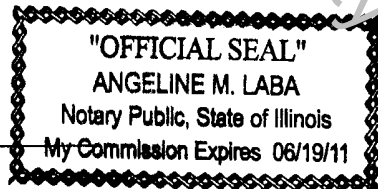


Angeline M. Laba
Notary Public

ANGELINE M. LABA
(Type or Print Name)

My Commission Expires:

6/19/2011



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STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

I, Stephen M Oleszkiewicz, a Notary Public in and for said County and State aforesaid, do hereby certify that Edgar J. Hofmeister is the sole beneficiary of the land trust which is the Mortgagor under the Second Supplement to Mortgage and Security Agreement with Assignment of Rents attached hereto, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and sealed the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 27th day of November, 2007.



Stephen M Oleszkiewicz
Notary Public

Stephen M Oleszkiewicz
(Type or Print Name)

My Commission Expires:

1/23/11

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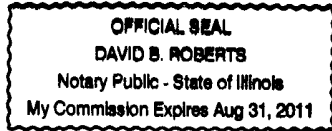
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, David B. Roberts, Notary Public in and for said County, in the State aforesaid, do hereby certify that Gene L. Padgett, a Vice President of Harris N.A. (as successor by merger to Harris Trust and Savings Bank), a national banking association, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, as of this 27th day of November, 2007.



Notary Public



(Type or Print Name)

(Notarial Seal)

Commission Expires:

8-31-11

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SCHEDULE I

LEGAL DESCRIPTION

LOTS 39, 40 AND 41 IN WALKER'S SUBDIVISION OF BLOCK 5 IN S. J. WALKER'S DOCK ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE EAST 1/2, NORTH OF THE RIVER, IN SECTION 30, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

Property Address: 2394-98 S. Blue Island
Chicago, Illinois

P.I.N. No.: 17-30-206-047
17-30-206-048
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