

MORTGAGE AND ASSIGNMENT OF RENTS
SECURING A LIMITED GUARANTY

\$ 42.00

DN 71 68 722

THIS INDENTURE ("Mortgage") entered into this 30th day of June, 1988, by ROBERTS AND SCHAEFER COMPANY, a Delaware corporation (hereinafter called "Mortgagor"), having its principal place of business at 1405 W. 2200 South, Salt Lake City, Utah 84119, to THE FIRST NATIONAL BANK OF CHICAGO, a national banking association with an office located at One First National Plaza, Chicago, Illinois 60670 ("Mortgagee") in its individual capacity and as agent for the "Banks" listed on the signature pages of that certain Credit Agreement dated as of May 19, 1988, among JII ACQUISITION CO., a Delaware corporation ("Acquisition"), and Mortgagee, as the same may be amended from time to time, ("Credit Agreement"). Except as otherwise provided, all defined terms herein shall have the same meaning as set forth in the Credit Agreement.)

W I T N E S S E T H:

WHEREAS, Mortgagor is a subsidiary of Elgin National Industries, Inc., a Delaware corporation ("Elgin"); and

WHEREAS, pursuant to that certain Assumption Agreement executed by Elgin, dated as of the date hereof and pursuant to the provisions of the Delaware General Corporation Law, Elgin has assumed all of Acquisition's obligations under the Credit Agreement and related documents, instruments and agreements; and

WHEREAS, Mortgagor has guaranteed the payment of all of the obligations of Elgin under the Credit Agreement, the Notes, and all other documents, instruments and agreements entered into in connection therewith (jointly referred to as the "Loan Documents") pursuant to that certain Limited Guaranty executed and delivered by Mortgagor to the Banks (including the Mortgagee), dated of even date herewith (referred to hereinafter as the "Guaranty"); and

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This document was prepared by
and after recording should be
returned to:

James L. Marovitz, Esq.
Sidley & Austin
One First National Plaza
Chicago, Illinois 60603

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(Date Stamp)

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WHEREAS, as a condition, among others, to their execution of the Credit Agreement, the Banks and the Beneficiary have required that Mortgagor enter into this Mortgage and grant to Mortgagee, for the benefit of all the Banks (including the Mortgagee), the liens and security interests referred to herein in order to secure the performance by Mortgagor of all of its obligations and liabilities under the Guaranty (hereinafter collectively referred to as the "Liabilities"); and

WHEREAS, the Liabilities secured hereby shall not exceed an aggregate principal amount, at any one time outstanding, of Seventy Million and No/100 Dollars (\$70,000,000.00), provided, that the foregoing limitation shall apply only to the lien upon real property created by this Mortgage, and it shall not in any manner limit, affect or impair any grant of a security interest in any personal property in favor of the Mortgagee, for the benefit of the Banks, under the provisions of the Credit Agreement or under any other mortgage, deed of trust or security agreement at any time executed by Mortgagor, Elgin or any other entity directly related to Elgin.

NOW, THEREFORE, in consideration of the premises contained herein and to secure payment of the Liabilities and in consideration of One Dollar (\$1.00) in hand paid, receipt whereof is hereby acknowledged, Mortgagor does hereby grant, remise, release, alien, convey mortgage and warrant to Mortgagee, its successors and assigns, and grant a security interest to Mortgagee, its successors and assigns, in and to the following described real estate in Cook County, Illinois:

See Exhibit A attached hereto and by this reference made a part hereof

which real estate (the "Land"), together with all right, title and interest, if any, which Mortgagor may now have or hereafter acquire in and to all improvements, buildings and structures thereon of every nature whatsoever, is herein called the "Premises."

TOGETHER WITH all right, title and interest, if any, including any after-acquired right, title and interest, and including any right of use or occupancy, which Mortgagor may now have or hereafter acquire in and to (a) all easements, rights of way, gores of land or any lands occupied by streets, ways, alleys, passages, sewer rights, water courses, water rights and powers, and public places adjoining said Land, and any other interests in property constituting appurtenances to the Premises, or which hereafter shall in any way belong, relate or be appurtenant thereto and, (b) all hereditaments, gas, oil, minerals, and easements, of every nature whatsoever, located in or on the Premises and all other rights and

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privileges thereunto belonging or appertaining and all extensions, additions, improvements, betterments, renewals, substitutions and replacements to, or of any of the rights and interests described in subparagraphs (a) and (b) above (hereinafter the "Property Rights").

TOGETHER WITH all fixtures and appurtenances of every nature whatsoever now or hereafter located in, on or attached to, and used or intended to be used in connection with, or with the operation of, the Premises, including, but not limited to (a) all apparatus, machinery and equipment of Mortgagor; and (b) all extensions, additions, improvements, betterments, renewals, substitutions, and replacements to or of any of the foregoing (the "Fixtures"); as well as all personal property and equipment of every nature whatsoever now or hereafter located in or on the Premises, including but not limited to (c) all screens, window shades, blinds, wainscoting, storm doors and windows, floor coverings, and awnings of Mortgagor; (d) all apparatus, machinery, equipment and appliances of Mortgagor not included as Fixtures; (e) all items of furniture, furnishings, and personal property of Mortgagor; and (f) all extensions, additions, improvements, betterments, renewals, substitutions, and replacements to or of any of the foregoing personal property and equipment, including, but not limited to, the foregoing clauses (c)-(e) (the "Personal Property"). It is mutually agreed, intended and declared, that the Premises and all of the Property Rights and Fixtures owned by Mortgagor (referred to collectively herein as the "Real Property") shall, so far as permitted by law, be deemed to form a part and parcel of the Land and for the purpose of this Mortgage to be real estate and covered by this Mortgage. It is also agreed that if any of the property herein mortgaged is of a nature so that a security interest therein can be perfected under the Uniform Commercial Code, this instrument shall constitute a security agreement, fixture filing and financing statement, and Mortgagor agrees to execute, deliver and file or refile any financing statement, continuation statement, or other instruments Mortgagee may reasonably require from time to time to perfect or renew such security interest under the Uniform Commercial Code. To the extent permitted by law, (i) all of the Fixtures are or are to become fixtures on the Land; and (ii) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture-filing" within the meaning of Sections 9-313 and 9-402 of the Uniform Commercial Code. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to that part of the security in which a security interest may be perfected under the Uniform Commercial Code, by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at the Mortgagee's sole election.

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TOGETHER WITH (i) all the estate, right, title and interest of the Mortgagor, in and to all judgments, insurance proceeds, awards of damages and settlements resulting from condemnation proceedings or the taking of the Real Property, or any part thereof, under the power of eminent domain or for any damage (whether caused by such taking or otherwise) to the Real Property, the Personal Property or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the Real Property, the Personal Property or any part thereof; and (except as otherwise provided herein or in the Credit Agreement) the Mortgagee is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor, and to apply the same as provided herein; and (ii) all contract rights, general intangibles, actions and rights in action, relating to the Real Property or the Personal Property, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Real Property; and (iii) all proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Real Property or the Personal Property. (The rights and interests described in this paragraph shall hereinafter be called the "Intangibles.")

As additional security for the Liabilities secured hereby, Mortgagor does hereby pledge and assign to Mortgagee from and after the date hereof (including any period of redemption), primarily and on a parity with said real estate, and not secondarily, all the rents, issues and profits of the Real Property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advance rent, for security or as earnest money or as down payment for the purchase of all or any part of the Real Property or the Personal Property) (the "Rents") under any and all present and future leases, contracts or other agreements relative to the ownership of the Real Property or the Personal Property or to the occupancy of all or any portion of the Real Property or the Personal Property and, except to the extent such a transfer or assignment is not permitted by the terms thereof, does hereby transfer and assign to Mortgagee all such leases and agreements (including all Mortgagor's rights under any contracts for the sale of any portion of the Mortgaged Property (as hereinafter defined) and all revenues and royalties under any oil, gas and mineral leases relating to the Real Property) (the "Leases"). Mortgagee hereby grants to Mortgagor the right to collect and use the Rents as they become due and payable under the Leases, but not more than one (1) month in advance thereof, until an "Event of Default" (as defined in the Credit Agreement) has occurred provided that the existence of such right shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Mortgagor, and any such subsequent assignment shall

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be subject to the rights of the Mortgagee under this Mortgage. Mortgagor further agrees to execute and deliver such assignments of leases or assignments of land sale contracts as Mortgagee may from time to time request. In the event of an Event of Default under the Credit Agreement (1) the Mortgagor agrees, upon demand, to deliver to the Mortgagee all of the Leases with such additional assignments thereof as the Mortgagee may request and agrees that the Mortgagee may assume the management of the Real Property, and collect the Rents, applying the same upon the Liabilities in the manner provided in the Credit Agreement, and (2) the Mortgagor hereby authorizes and directs all tenants, purchasers or other persons occupying or otherwise acquiring any interest in any part of the Real Property to pay the Rents due under the Leases to the Mortgagee upon request of the Mortgagee. Mortgagor hereby appoints Mortgagee as its true and lawful attorney in fact to manage said property and collect the Rents, with full power to bring suit for collection of the Rents and possession of the Real Property, giving and granting unto said Mortgagee and unto its agent or attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in the protection of the security hereby conveyed; provided, however, that (i) this power of attorney and assignment of rents shall not be construed as an obligation upon said Mortgagee to make or cause to be made any repairs that may be needful or necessary and (ii) Mortgagee agrees that until such Event of Default as aforesaid, Mortgagee shall permit Mortgagor to perform the aforementioned management responsibilities. Upon Mortgagee's receipt of the Rents, at Mortgagee's option, it may pay: (1) reasonable charges for collection hereunder, costs of necessary repairs and other costs requisite and necessary during the continuance of this power of attorney and assignment of rents, (2) general and special taxes, and insurance premiums, and (3) the balance of the Rents pursuant to the provisions of the Credit Agreement. This power of attorney and assignment of rents shall be irrevocable until this Mortgage shall have been satisfied and released of record and the releasing of this Mortgage shall act as a revocation of this power of attorney and assignment of rents. Mortgagee shall have and hereby expressly reserves the right and privilege (but assumes no obligation) to demand, collect, sue for, receive and recover the Rents, or any part thereof, now existing or hereafter made, and apply the same in accordance with the provisions of the Credit Agreement.

All of the mortgaged property described above, and each item of mortgaged property therein described, not limited to but including the Land, the Premises, the Property Rights, the Fixtures, the Personal Property, the Real Property, the Intangibles, the Rents and the Leases, is herein referred to as the "Mortgaged Property."

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Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee-in-possession in the absence of the taking of actual possession of the Mortgaged Property by the Mortgagee. Nothing contained in this Mortgage shall be construed as imposing on Mortgagee any of the obligations of the lessor under any lease of the Real Property in the absence of an explicit assumption thereof by Mortgagee. In the exercise of the powers herein granted the Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being expressly waived and released by Mortgagor.

TO HAVE AND TO HOLD the Mortgaged Property, properties, rights and privileges hereby conveyed or assigned, or intended so to be, unto Mortgagee, its successors and assigns, forever for the uses and purposes herein set forth. Mortgagor hereby releases and waives all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois (the "State") and Mortgagor hereby covenants that, at the time of the ensealing and delivery of these presents, Mortgagor is well seized of the Mortgaged Property in fee simple, and with full legal and equitable title to the Mortgaged Property, with good right, full power and lawful authority to sell, assign, convey and mortgage the same, and that title to the Mortgaged Property described in Exhibit A is free and clear of encumbrances, except as described in Exhibit B attached hereto and made a part hereof, and that Mortgagor will forever defend the same against all lawful claims.

The following provisions shall also constitute an integral part of this Mortgage:

(1) Mortgagor agrees to pay, when due or declared due, all of the Liabilities secured hereby.

(2) Mortgagor hereby covenants and represents that:

(a) Mortgagor is duly authorized to make and enter into this Mortgage and to carry out the transactions contemplated herein.

(b) This Mortgage has been duly executed and delivered pursuant to authority legally adequate therefor; Mortgagor has been and is authorized and empowered by all necessary persons having the power of direction over it to execute and deliver said instrument; said instrument is a legal, valid and binding obligation of Mortgagor, enforceable in accordance with its terms, subject, however, to bankruptcy and other law, decisional or statutory, of general application affecting the enforcement of creditors' rights, and to the fact that the avail-

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ability of the remedy of specific performance or of injunctive relief in equity is subject to the discretion of the court before which any proceeding therefor may be brought.

(c) Mortgagor is not now in default under any instruments or obligations relating to the Mortgaged Property and no party has asserted any claim of default against Mortgagor relating to the Mortgaged Property.

(d) The execution and performance of this Mortgage and the consummation of the transactions hereby contemplated will not result in any breach of, or constitute a default under, any mortgage, lease, bank loans, or credit agreement, trust indenture, or other instrument to which Mortgagor is a party or by which it may be bound or affected; nor do any such instruments impose or contemplate any obligations which are or may be inconsistent with any other obligations imposed on Mortgagor under any other instrument(s) heretofore or hereafter delivered by Mortgagor.

(e) There are no actions, investigations, suits or proceedings (including, without limitation, any condemnation or bankruptcy proceedings) pending or to the best of Mortgagor's knowledge, threatened against or affecting Mortgagor or the Mortgaged Property, or which may adversely affect the validity or enforceability of this Mortgage, at law or in equity, or before or by any governmental authority; Mortgagor is not in default with respect to any writ, injunction, decree or demand of any court or any governmental authority affecting the Mortgaged Property.

(f) All statements, financial or otherwise, submitted to Mortgagee in connection with this transaction are true and correct in all respects and (with respect to any financial statements) have been prepared in accordance with generally accepted accounting principles and fairly present the financial condition of the parties or entities covered by such statements as of the date thereof.

(g) The Real Property presently complies with, and will continue to comply with, all applicable restrictive covenants and applicable zoning and subdivision ordinances and building codes.

(h) Except as disclosed on Exhibit C hereto:

(i) the operations of Mortgagor at the Real Property and the Real Property itself presently comply with, and will continue to comply with, all applicable environmental, health and safety statutes, regulations and other governmental requirements;

(ii) Mortgagor has obtained, and will continue to maintain, all environmental, health and safety permits necessary for the operations of Mortgagor; all such permits are in good standing and Mortgagor is and will remain in compliance with all terms and conditions of such permits;

(iii) neither Mortgagor nor any of its present Real Property or operations is subject to any order from or agreement with any governmental authority or private party respecting the release or threatened release of a contaminant or pollutant into the environment;

(iv) with respect to Mortgagor's Real Property or operations there are no judicial or administrative proceedings pending alleging a violation of any environmental, health or safety statute, regulation, or other governmental requirement;

(v) to the best of Mortgagor's knowledge, none of Mortgagor's present or past operations is the subject of any investigation by any governmental authority evaluating whether any remedial action is needed to respond to a release or threatened release of a contaminant or pollutant into the environment;

(vi) Mortgagor has not filed any notice under any statute, regulation, or other governmental requirement indicating past or present treatment, storage or disposal of a hazardous waste, as that term is defined under 40 CFR Part 261 or any state equivalent;

(vii) Mortgagor has not filed any notice under any applicable statute, regulation or other governmental require-

ment reporting a release of a contaminant or pollutant into the environment;

(viii) there is not now, nor to the best of Mortgagor's knowledge has there ever been on or in the Real Property (A) any generation, treatment, recycling, storage or disposal of any hazardous waste, as that term is defined under 40 CFR Part 261 or any state equivalent, (B) any underground storage tanks or surface impoundments, (C) any polychlorinated biphenyls used in hydraulic oils, electrical transformers or other equipment, or (D) any asbestos containing material;

(ix) Mortgagor has no material contingent liability in connection with any release or threatened release of any contaminants into the environment; and

(x) none of the Real Property is or will become subject to any lien in favor of any governmental entity for (A) liability under federal or state environmental laws or regulations, or (B) damages arising from or costs incurred by such governmental entity in response to a release or threatened release of a contaminant or pollutant into the environment.

(i) To the best of Mortgagor's knowledge, Mortgagor owns, is licensed, or otherwise has the right to use or is in possession of all licenses, permits and government approvals or authorizations, patents, trademarks, service marks, trade names, copyrights, franchises, authorizations and other rights that are necessary for its operations on the Real Property, without conflict with the rights of any other person with respect thereto.

3. Mortgagor agrees (a) not to abandon the Premises; (b) to keep the Real Property in good, safe and insurable condition and repair and not to commit or suffer waste; (c) to make when necessary and appropriate any and all repairs to the Premises, whether structural or nonstructural,

exterior or interior, foreseen or unforeseen, ordinary or extraordinary, and to cause all such repairs to be (in the reasonable opinion of Mortgagee) of first class quality; (d) to refrain from taking any action that would impair or diminish the value of this Mortgage, including any action that would increase the risk of fire or any other hazard for the Premises; and (e) neither to make nor to permit structural or other substantial alterations in the buildings or any substantial construction on the Land without the written consent of Mortgagee. Mortgagor may remove any Personal Property or Fixtures used in connection with the Premises which is worn out or obsolete, provided that, either prior to or simultaneously with such removal, Mortgagor shall replace such property with other property with the same or greater utility and value as the replaced property had when first acquired, and such replacement property shall be free and clear of any liens or security interests other than those of Mortgagee but shall be subject to the lien and security interest created by this Mortgage. Notwithstanding the foregoing, Mortgagor shall not be required to replace property removed from the Premises if, in Mortgagor's reasonable judgment, the property removed is both obsolete and no longer necessary to the operation of Mortgagor's business on the Premises.

4. Mortgagor agrees to pay, not later than the due date and before any penalty or interest attaches, all general taxes and all special taxes, water, drainage and sewer charges and all other charges, of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed or imposed on or against the Mortgaged Property and in the case of any special assessment before any penalty or default interest attaches and, at the request of Mortgagee, to exhibit to Mortgagee, official receipts evidencing such payments; provided, however, that in the case of any special assessment (or other imposition in the nature of a special assessment) payable in installments, each installment thereof shall be paid prior to the date on which each such installment becomes due and payable. Mortgagor agrees to exhibit to Mortgagee, at least annually and at any time upon request, official receipts showing payment of all taxes, assessments and charges which Mortgagor is required or elects to pay hereunder. In the event that any court of last resort enters a decision that the undertaking by the Mortgagor provided for in this Paragraph 4 to pay taxes, assessments, and charges in connection with the Mortgaged Property is legally inoperative or cannot be enforced, or the manner of collection of any such tax changes, so as to affect adversely or in a material fashion the Mortgagee, Mortgagee shall have the right to exercise any remedies it would have in the event of a default under this Mortgage with respect to the Mortgaged Property, and shall be entitled to apply any amounts realized from the exercise of such remedies to the Liabilities, regardless of

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whether such Liabilities are then due and payable, in such manner as Mortgagee, in its sole discretion, shall determine.

5. Mortgagor agrees that, if the United States or the State or any of their subdivisions having jurisdiction shall levy, assess, or charge any tax, assessment or imposition upon this Mortgage or the credit or indebtedness secured hereby or the interest of Mortgagee in the Mortgaged Property or upon Mortgagee by reason of or as holder of any of the foregoing, or in the event that any law is enacted changing in any way the laws now in force with respect to the taxation of mortgages or debts secured thereby for any purpose, then, Mortgagor shall pay (or reimburse Mortgagee for) such taxes, assessments or impositions and, unless all such taxes, assessments and impositions are paid or reimbursed by Mortgagor when and as they become due and payable, all sums hereby secured shall become immediately due and payable, at the option of Mortgagee, notwithstanding anything contained herein or in any law heretofore or hereafter enacted.

6. (a) Mortgagor agrees to maintain in force at all times:

(i) Fire and extended coverage insurance (including, without limitation, windstorm, earthquake, explosion and such other risks usually insured against by owners of like properties) on the Real Property in such amounts as is satisfactory to Mortgagee but in no event less than one hundred percent (100%) of the full insurable value of the Real Property and in no event less than the amount required to prevent Mortgagor from becoming a co-insurer within the terms of the applicable policies;

(ii) Comprehensive public liability insurance on an "occurrence basis" against claims for personal injury, including without limitation bodily injury, death or property damage occurring on, in or about the Premises in an amount of not less than \$2,000,000.00 with respect to personal injury or death to one or more persons and \$500,000.00 with respect to damage to property, and with "umbrella" liability coverage of not less than \$10,000,000.00, or such greater amounts as may from time to time be required by sound business judgment;

(iii) Rent interruption insurance in an amount not less than one year's gross annual rental of all leases affecting the Real Property (co-insurance shall be 100%, and the limit of liability shall be reviewed annually to reflect any increase of gross rentals);

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(iv) If the Land is located in an area designated by the Department of Housing and Urban Development as a flood hazard area, flood insurance as required by the Flood Protection Act of 1973;

(v) Boiler and machinery insurance on a "comprehensive" form in an amount adequate to provide protection against the maximum amount of damage possible to building, improvements and contents resulting from a boiler or machinery explosion; and

(vi) Such other insurance as may be reasonably required by Mortgagee from time to time.

(b) All such insurance shall be written by companies and on forms with endorsements satisfactory to Mortgagee, all with suitable loss-payable and standard noncontribution mortgagee clauses in favor of Mortgagee (or, in case of a foreclosure sale, in favor of the owner of the certificate of sale) attached, and originals or certified copies of the policies evidencing the same shall be kept constantly deposited with Mortgagee. All said policies shall provide for, among other things, written notice to Mortgagee of their expiration or any anticipated cancellation at least thirty (30) days prior to such event occurring. Not less than thirty (30) days prior to the expiration of any such policy, a certified copy of an appropriate renewal policy shall be deposited with Mortgagee. In case of loss, Mortgagee is authorized to collect all insurance proceeds and apply them, at its option, to the reduction of the Liabilities hereby secured, whether due or not then due, or, at Mortgagee's option, may allow Mortgagor to use such money, or any part thereof, in repairing the damage or restoring the improvements.

(c) Mortgagor shall notify Mortgagee, in writing, of any loss to the Real Property covered by insurance and Mortgagor hereby directs each insurance company to make payment for such loss directly and solely to Mortgagee; and Mortgagor agrees that any payment which is delivered, for any reason, to Mortgagor shall be held in trust for Mortgagee and promptly delivered in the form received (except for any necessary endorsements thereon) to Mortgagee.

7. Mortgagor agrees that it will comply with all restrictions affecting the Mortgaged Property and with all laws, ordinances, acts, rules, regulations and orders of any legislative, executive, administrative or judicial body, commission or officer (whether federal, state or local) exercising any power of regulation or supervision over Mortgagor, or any part of the Mortgaged Property, whether the same be directed to the repair thereof, manner of use thereof,

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structural alteration of buildings located thereon, or otherwise.

8. Mortgagor agrees that, if the United States Government or any department, agency or bureau thereof or the State or any of its subdivisions shall at any time require documentary stamps to be affixed to the Mortgage, Mortgagor will, upon request, pay for such stamps in the required amount and deliver them to Mortgagee, and Mortgagor agrees to indemnify Mortgagee against liability on account of such documentary stamps, whether such liability arises before or after payment of the Liabilities and regardless of whether this Mortgage shall have been released.

9. Promptly following, but not later than ninety (90) days after, the close of each fiscal year Mortgagor will furnish to Mortgagee (a) a financial statement in form satisfactory to Mortgagee prepared in accordance with generally accepted accounting principles consistently applied, reflecting the complete results of Mortgagor's operations for the previous fiscal year with respect to the Real Property only and a similar annual financial statement for Mortgagor and (b) a detailed report, consistent with the aforesaid financial statement, certified to be true and correct by Mortgagor, prepared in accordance with generally accepted accounting principles consistently applied and containing a statement in detail of the complete rental or sales status of the Real Property; the name or names of all owners, contract purchasers, tenants, subtenants and other occupants of or owners of interests in the Real Property; the dates and terms of all land sales contracts, leases, subleases and other occupancy agreements; the floor and rentable area in square feet and the location of each tenant's, subtenant's and other occupant's space; and rentals or sales prices being paid.

10. In the event Mortgagor fails to pay any real estate tax or required insurance premium related to the Real Property when due, Mortgagor agrees to thereafter make monthly deposits in an interest-bearing account, which account shall be pledged to Mortgagee, at a bank or similar financial institution acceptable to Mortgagee, of an amount equal to the sum of 1/12th of the annual general real estate taxes levied on the Real Property and 1/12th of the annual premium required to maintain insurance in force on the Real Property in accordance with the provisions of this Mortgage, the amount of such taxes and premiums, if unknown, to be estimated on the basis of the previous year's taxes or premiums, if any, or by such person or corporation as is acceptable to Mortgagee. Mortgagor shall provide Mortgagee with the original real estate tax bill or insurance invoice not later than ten (10) days before the payment is due and shall concurrently deposit at a bank or similar financial institution acceptable to Mortgagee an amount equal to the

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difference between the amount available in the aforesaid escrow account for such payment (giving effect to other taxes or expenses which are also to be paid from said account) as shown on Mortgagee's records and the amount required to be paid. Provided that no additional default has occurred, funds in such account (including the supplemental deposits required by the preceding sentence) shall be used by Mortgagor to pay such taxes and premiums on their respective due dates. From and after the occurrence of a default under this Mortgage, Mortgagor will pay such funds to Mortgagee for application on the Liabilities. Mortgagee, in its sole discretion, may waive from time to time the requirement that such deposits be made, and if Mortgagee shall at any time waive such requirement, Mortgagor shall furnish Mortgagee with copies of paid tax receipts and insurance premium receipts not later than two (2) days before the payment is due.

11. Mortgagor agrees faithfully to perform all of its obligations under all present and future leases or other agreements relative to the occupancy of the Real Property at any time assigned to Mortgagee by separate instrument as additional security, and to refrain from any action or inaction which would result in termination of any such leases or agreements or in the diminution of the value thereof or of the rents or revenues due thereunder. Mortgagor further agrees that any lease of the Real Property made after the date of recording of this Mortgage shall contain a covenant to the effect that such lessee shall, at Mortgagee's option, agree to attorn to Mortgagee as lessor and, upon demand, to pay rent to Mortgagee.

12. Mortgagor agrees that it shall not permit the public to use the Real Property or any other property covered by this Mortgage in any manner that might tend, in Mortgagee's reasonable judgment, to impair Mortgagor's title to such property or any portion thereof, or to make possible any claim or claims of easement by prescription or of implied dedication to public use. Mortgagor shall not use or permit the use of any part of the Premises or any other property covered by this Mortgage for an illegal purpose. Mortgagor shall not permit any use of the Premises or such property for any general purpose other than that for which such Premises or property is used as of the date hereof without Mortgagee's consent.

13. If any building or other improvement now or hereafter erected on the Land shall be lost, damaged or destroyed by fire or any other cause, Mortgagor will give immediate written notice thereof to Mortgagee and shall promptly restore the Premises to the equivalent of its condition immediately prior to such loss, damage or destruction regardless of whether or not there shall be any insurance

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proceeds therefor. Mortgagee shall have the right to apply any insurance proceeds or other recovery related to said loss to a reduction of the indebtedness hereby secured. If Mortgagee applies said insurance proceeds to the reduction of the Liabilities, Mortgagor shall have no obligation hereunder to restore the Premises. If a part of the Premises shall be lost, physically damaged, or destroyed through condemnation, Mortgagee shall have the right to apply any condemnation proceeds to a reduction of the Liabilities. If Mortgagee applies said condemnation proceeds to the reduction of the Liabilities, Mortgagor shall have no obligation hereunder to restore the Premises. If Mortgagee elects to assign said condemnation proceeds to Mortgagor, Mortgagor will promptly restore, repair or alter the Premises remaining in a manner reasonably satisfactory to Mortgagee.

14. Mortgagor agrees to defend, protect, indemnify, and hold harmless Mortgagee, each Bank and each and all of Mortgagee's and each Bank's officers, directors, employees, attorneys and agents (collectively called the "Indemnitees") from and against any and all losses, liabilities, including strict liability, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses, whether based on private agreements or in tort, contract, implied or express warranties, statute, regulation, common law or otherwise (including, reasonable fees and disbursements of counsel and consultants for such Indemnitees in connection with any investigative, administrative or judicial proceeding, whether or not such Indemnitees shall be a designated party thereto), which:

(a) may be imposed on, or on account of, or in connection with (i) the construction, reconstruction or alteration of the Mortgaged Property, (ii) any negligence or willful misconduct of Mortgagor, or a lessee of the Real Property, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees, (iii) any accident, injury, death or damage to any person or property occurring in, on or about the Real Property or any street, drive, sidewalk, curb or passageway adjacent thereto, or (iv) any other transaction arising out of or in any way connected with the Mortgaged Property (provided that Mortgagor shall have no obligation to an Indemnitee under 14(a) with respect to any indemnified matters caused by or resulting from the misconduct or negligence of that Indemnitee), or

(b) may be paid, incurred or suffered by, or asserted against, an Indemnitee by any person or entity or governmental agency for, with respect to, arising out of or in connection with (either

directly or indirectly) the presence on or in, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from, the premises (including any building, structure, or equipment thereon) of any hazardous or toxic waste, substance or constituent, or other substance.

15. Mortgagor hereby assigns to Mortgagee, as additional security, all awards of damage resulting from condemnation proceedings or the taking of or injury to the Premises for public use, and Mortgagor agrees that the proceeds of all such awards shall be paid to Mortgagee and may be applied by Mortgagee, at its option, after the payment of all its expenses in connection with such proceedings, including reasonable attorneys' and paralegals' fees and expenses, to the reduction of the Liabilities hereby secured, and Mortgagee is hereby authorized, on behalf of and in the name of Mortgagor, to execute and deliver valid acquittance for and to appeal from any such award.

16. Mortgagor agrees that, from and after the occurrence of a default under this Mortgage, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor, in any form and manner deemed expedient after reasonable inquiry into the validity thereof. By way of illustration and not in limitation of the foregoing, Mortgagee may, but need not, (i) make full or partial payments of insurance premiums which are unpaid by Mortgagor, coordinate liens or encumbrances, if any, (ii) purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof, or (iii) redeem all or any part of the Premises from any tax or assessment. All money paid for any of the purposes herein authorized and all other moneys advanced by Mortgagee to protect the Mortgaged Property and the lien hereof shall be additional Liabilities secured hereby and shall become immediately due and payable without notice and shall bear interest thereon at the per annum interest rate of two percent (2%) plus the rate of interest otherwise payable under the Credit Agreement in respect of Base Rate Loans ("Default Interest Rate") until paid to Mortgagee in full. In making any payment hereby authorized relating to taxes, assessments or prior or coordinate liens or encumbrances, Mortgagee shall be the sole judge of the legality, validity and priority thereof and of the amount necessary to be paid in satisfaction thereof.

17. Mortgagee, or any person designated by Mortgagee in writing, shall have the right, after reasonable notice, from time to time hereafter, to call at the Premises (or at any other place where information relating thereto is kept or located) during reasonable business hours and, without hindrance or delay, to make such inspection and verification of the Premises, and the affairs, finances and

business of Mortgagor in connection with the Premises, as may be reasonable under the circumstances, and to discuss the same with any agents or employees of Mortgagor.

18. Any of the following occurrences or acts shall constitute an event of default under this Mortgage ("default"):

- (i) Elgin fails to pay the indebtedness evidenced by the Notes when due or when declared due;
- (ii) a breach or violation of the provisions of the Credit Agreement (as described in the Credit Agreement) or of the Guaranty (as described in the Guaranty) shall occur;
- (iii) Mortgagor (regardless of the pendency of any bankruptcy, reorganization, receivership, insolvency or other proceedings, at law, in equity, or before any administrative tribunal, which have prevented or might have the effect of preventing Mortgagor from complying with the terms of this Mortgage), shall fail to observe or perform any of Mortgagor's covenants, agreements or obligations under this Mortgage and such default shall continue for fifteen (15) days provided, however, that in the event the default is unable to be cured within fifteen days, then Mortgagor shall diligently continue to cure such default;
- (iv) a default shall occur under any other document or instrument between Mortgagor and Mortgagee, Elgin and Mortgagee, or between Mortgagee and any corporate affiliate of Mortgagor or Elgin;
- or (v) the Premises or a substantial part thereof shall have been abandoned for thirty (30) consecutive days. If any such default shall have occurred, then, to the extent permitted by applicable law, the following provisions shall apply:

(a) All Liabilities shall, at the option of Mortgagee, become immediately due and payable without presentment, demand or further notice.

(b) It shall be lawful for Mortgagee to

- (i) immediately sell the Mortgaged Property either in whole or in separate parcels, as prescribed by State law, under power of sale, which power is hereby granted to Mortgagee to the full extent permitted by State law, and thereupon, to make and execute to any purchaser(s) thereof deeds of conveyance pursuant to applicable law or
- (ii) immediately foreclose this Mortgage by action. The court in which any proceeding is pending for the purpose of foreclosure of this Mortgage may, at once or at any time thereafter, either before or after sale, without notice and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the Liabilities secured hereby, and without regard to the then value of the Mortgaged Property or the occupancy thereof as a homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the

Loans evidenced by the Credit Agreement and the other financial accommodations to Mortgagor have been made) for the benefit of Mortgagee, with power to collect the Rents, due and to become due, during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of such Rents, when collected, may pay costs incurred in the management and operation of the Real Property, prior and coordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the Real Property or the Personal Property, and may pay all or any part of the Liabilities then due and payable, or other sums secured hereby or any deficiency decree entered in such foreclosure proceedings.

(c) Mortgagee shall, at its option, have the right, acting through its agents or attorneys, either with process of law, forcibly or otherwise, to enter upon and take possession of the Mortgaged Property, expel and remove any persons, goods, or chattels occupying or upon the same, to collect or receive all the rents, issues and profits thereof and to manage and control the same, and to lease the same or any part thereof, from time to time, and, after deducting all reasonable attorneys' and paralegals' fees and expenses, and all expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, apply the remaining net income upon the Liabilities or other sums secured hereby or upon any deficiency decree entered in any foreclosure proceedings.

19. In any foreclosure of this Mortgage by action, or any sale of the Mortgaged Property under power of sale granted herein, there shall be allowed (and included in the decree for sale in the event of a foreclosure by action), to be paid out of the rents or the proceeds of such foreclosure proceeding or sale:

(a) all of the Liabilities and other sums secured hereby which then remain unpaid;

(b) all other items advanced or paid by Mortgagee pursuant to this Mortgage, with interest thereon at the Default Interest Rate from the date of advancement; and

(c) all court costs, reasonable attorneys' and paralegals' fees and expenses, appraiser's fees, advertising costs, notice expenses, expendi-

tures for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantees, title insurance policies, Torrens certificates and similar data with respect to title which Mortgagee may deem necessary. All such expenses shall become additional Liabilities secured hereby and immediately due and payable, with interest thereon at the Default Interest Rate, when paid or incurred by Mortgagee in connection with any proceedings, including but not limited to probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured or in connection with the preparations for the commencement of any suit for the foreclosure, whether or not actually commenced, or sale under power of sale. The proceeds of any sale (whether through a foreclosure proceeding or Mortgagee's exercise of the power of sale) shall be distributed and applied to the items described in (a), (b), and (c) of this paragraph, as Mortgagee may in its sole discretion determine, and any surplus of the proceeds of such sale shall be paid to Mortgagor.

20. Each remedy or right of Mortgagee shall not be exclusive of but shall be in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or in different nature. Every such remedy or right may be exercised concurrently or independently and when and as often as may be deemed expedient by Mortgagee.

21. If more than one property, lot or parcel is covered by this Mortgage, and if this Mortgage is foreclosed upon, or judgment is entered upon any Liabilities, or if Mortgagee exercises its power of sale, execution may be made upon or Mortgagee may exercise its power of sale against any one or more of the properties, lots or parcels and not upon the others, or upon all of such properties or parcels, either together or separately, and at different times or at the same time, and execution sales or sales by advertisement may likewise be conducted separately or concurrently, in each case at Mortgagee's election.

22. In the event of a foreclosure of this Mortgage, the Liabilities then due the Mortgagee shall not be merged

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into any decree of foreclosure entered by the court, and Mortgagee may concurrently or subsequently seek to foreclose one or more mortgages or deeds of trust which also secure said Liabilities.

23. Mortgagor agrees that, upon request of Mortgagee from time to time, it will execute, acknowledge and deliver all such additional instruments and further assurances of title and will do or cause to be done all such further acts and things as may reasonably be necessary to fully effectuate the intent of this Mortgage. In the event that Mortgagor shall fail to do any of the foregoing, Mortgagee may, in its sole discretion, do so in the name of Mortgagor, and Mortgagor hereby appoints Mortgagee as its attorney-in-fact to do any of the foregoing provided Mortgagee shall notify Mortgagor in writing of such action.

24. Except as otherwise provided herein, any notices, demands, consents, requests, approvals, undertakings or other instruments required or permitted to be given in connection with this Mortgage shall be in writing, shall be sent by United States registered or certified mail, or by overnight delivery service and shall be deemed to have been validly served, given or delivered five (5) days following deposit in the United States mails (or on the date such instrument is actually received whichever is earlier), or on the first business day following delivery to the overnight delivery service, whichever is applicable, addressed to the party so notified as follows:

if to Mortgagor:

Elgin National Industries, Inc.
120 S. Riverside Plaza, Fifth Floor
Chicago, Illinois 60606
Attn: President

with a copy to:

Jenner & Block
One IBM Plaza
Chicago, Illinois 60607
Attn: Sidney G. Saltz

if to Mortgagee:

The First National Bank of Chicago
One First National Plaza
10th Floor
Suite 0173
Chicago, Illinois 60670
Attn: Jerry J. Kane, Vice-President

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with copies to:

The First National Bank of Chicago
One First National Plaza
Suite 0287-11
Chicago, Illinois 60670
Attn: Nicholas LeGrand

Sidley & Austin
One First National Plaza
Chicago, Illinois 60603
Attn: James L. Marovitz

Mortgagor or Mortgagee shall, from time to time, have the right to specify as the proper addressee and/or address for the purposes of this Mortgage any other address in the United States upon giving ten (10) days' written notice thereof.

25. Mortgagor agrees that, without affecting the liability of any person for payment of the Liabilities secured hereby or affecting the lien of this Mortgage upon the Mortgaged Property or any part thereof (other than persons or property explicitly released as a result of the exercise by Mortgagee of its rights and privileges hereunder), Mortgagee may at any time and from time to time, on request of Elgin, without notice to Mortgagor or any person liable for payment of any Liabilities secured hereby, extend the time, or agree to alter the terms of payment of such Liabilities. Mortgagor further agrees that any part of the security herein described may be released with or without consideration without affecting the remainder of the Liabilities or the remainder of the security.

26. Mortgagor agrees that this Mortgage is to be construed and governed by the laws of the State. Wherever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.

27. Upon full payment of all sums secured hereby or upon application on the Liabilities of the proceeds of any sale of the Mortgaged Property in accordance with the provisions of this Mortgage, at the time and in the manner provided, this conveyance shall be null and void and, upon demand therefor following such payment, a satisfaction of mortgage or reconveyance of the Real Property shall be provided promptly by Mortgagee to Mortgagor.

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28. This Mortgage shall be binding upon the Mortgagor and upon the successors, assigns and vendees of the Mortgagor and shall inure to the benefit of the Mortgagee's successors and assigns; all references herein to the Mortgagor and to the Mortgagee shall be deemed to include their successors and assigns. Mortgagor's successors and assigns shall include, without limitation, a receiver, trustee or debtor in possession of or for the Mortgagor. Wherever used, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders.

29. The Mortgagor, within ten (10) days after the request in person or within fifteen (15) days after request by mail, will furnish a duly acknowledged written statement setting forth the amount of the debt secured by this Mortgage, the date to which interest, if any, has been paid and stating either that no offsets or defenses exist against the mortgage debt, or if such offsets or defenses are alleged to exist, the nature thereof.

30. Mortgagor represents that it has been authorized to, and Mortgagor does hereby, waive (to the full extent permitted under State law) any and all statutory or equitable rights of redemption from sale by advertisement or sale under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor and each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date hereof. Mortgagor agrees, to the full extent permitted by law, that in case of a default, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, or extension laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereof, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety.

31. Promptly after learning of the occurrence of any of the following, Mortgagor shall give Mortgagee oral and written notice thereof, describing the same and the steps being taken by the Mortgagor with respect thereto: (a) the happening of any event involving the spill, release, leak, seepage, discharge or cleanup of any hazardous or toxic

waste, substance or constituent; (b) commencement or threat of any litigation, arbitration proceeding, or governmental proceeding affecting the Real Property; (c) notice that the Mortgagor's operations on the Real Property are not or may not be in compliance with requirements of applicable federal, state or local environmental, health and safety statutes and regulations; (d) notice that Mortgagor is subject to federal or state investigation evaluating whether any remedial action is needed to respond to the release of any hazardous or toxic waste, substance or constituent, or other substance from the Real Property into the environment; or (e) notice that the Mortgaged Property is or may be subject to a lien in favor of any governmental entity for (i) any liability under federal or state environmental laws or regulations or (ii) damages arising from or costs incurred by such governmental entity in response to a release or a threatened release of a hazardous or toxic waste, substance or constituent, or other substance into the environment.

32. Two years from the date hereof and every two years thereafter, Mortgagee shall have the right to perform or to require Mortgagor to perform an environmental audit and/or an environmental risk assessment of the Real Property waste management practices and/or waste disposal sites used by Mortgagor. The environmental audit shall (a) investigate any environmental hazards or conditions for which the Mortgagor may be liable with regard to (i) the Real Property, (ii) waste management practices and/or (iii) waste site disposal sites used by Mortgagor and (b) determine whether the Mortgagor's operations on the Real Property comply in all respects deemed material by the Mortgagee with all applicable environmental, health and safety statutes and regulations. Said audit and/or risk assessment must be by an environmental consultant reasonably satisfactory to Mortgagee and Mortgagor, and the audit and/or risk assessment must be reasonably satisfactory to Mortgagee and Mortgagor. All costs and expenses incurred by Mortgagee in the performance of an environmental audit and/or risk assessment shall be secured by this Mortgage and shall be payable by Mortgagor upon demand or charged to Mortgagor's loan balance at the discretion of Mortgagee.

33. Mortgagor shall not permit any liens, direct or indirect, including, but not limited to, a lien in favor of any governmental entity for (a) any liability under federal or state environmental laws or regulations, or (b) damages arising from or costs incurred by such governmental entity in response to a release of a hazardous or toxic waste, substance or constituent, or other substance into the environment, or security interests to be filed or attached to the Mortgaged Property without the written consent of Mortgagee. The Mortgagor shall not sell, convey, transfer, lease or further encumber any interest in or any

part of the Mortgaged Property, without the prior written consent of the Mortgagee having been obtained to (i) the sale, conveyance, transfer, lease, pledge, assignment or other transfer to the purchaser, transferee, assignee or pledgee, and (ii) to the form and substance of any instrument evidencing any such sale, transfer, lease, pledge, assignment or other transfer. The Mortgagor shall not, without the prior written consent of the Mortgagee, further assign the Rents. If Mortgagor does sell, convey, transfer, lease or otherwise dispose of all or any part of the Mortgaged Property, or any interest therein, or permits any liens or security interests to be filed against the Mortgaged Property in contravention of this paragraph, Mortgagee may elect, by notice in writing to Mortgagor, to declare all of the Liabilities, or any part thereof, and all other sums secured hereby to be and to become due and payable immediately upon the giving of such notice provided, however, Mortgagor shall have the right to contest any mechanic's lien or manager's lien provided Mortgagor receives a title indemnification in form acceptable to Mortgagee or provides Mortgagee with adequate security. The Mortgagor agrees that in the event the ownership of the Mortgaged Property or any part thereof becomes vested in a person other than the Mortgagor, the Mortgagee may, without notice to the Mortgagor, deal in any way with such successor or successors in interest with reference to the Mortgage and other sums hereby secured without in any way vitiating or discharging the Mortgagor's liability hereunder or upon other sums hereby secured. No sale of the Mortgaged Property, no forbearance to any person with respect to this Mortgage, and no extension to any person of the time for payment of the Liabilities shall operate to release, discharge, modify, change or affect the original liability of the Mortgagor, either in whole or in part.

34. This Mortgage is given for the purpose of securing loan advances which the Mortgagee may make to or for Elgin pursuant and subject to the terms and provisions of the Credit Agreement. The parties hereto intend that, in addition to any other debt or obligation secured hereby, this Mortgage shall secure unpaid balances of loan advances made after this Mortgage is delivered to the Recorder of Deeds, Cook County, Illinois, whether made pursuant to an obligation of Mortgagee or otherwise. The Revolving Note evidences a "revolving credit" as defined in Illinois Revised Statutes Chapter 17, Paragraph 6405. The lien of this Mortgage secures payment of any existing indebtedness and future advances made pursuant to the Revolving Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage, without regard to whether or not there is any advance made at the time this Mortgage is executed and without regard to whether or not there is any indebtedness outstanding at the time any advance is made.

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35. Notwithstanding anything in this Mortgage to the contrary, in the event of a conflict or inconsistency between this Mortgage and the Credit Agreement, the provisions of the Credit Agreement shall govern. Notwithstanding anything in this Mortgage to the contrary, in the event of a conflict or inconsistency between this Mortgage and the Security Agreement executed by Mortgagor in favor of the Mortgagee (the "Security Agreement"), the provisions of the Security Agreement shall govern; provided, however, in the event of a further conflict or inconsistency between the Credit Agreement and the Security Agreement, the provisions of the Credit Agreement shall govern.

36. In the event that any of the covenants, agreements, terms or provisions contained in this Mortgage shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Credit Agreement shall not be in any way affected, prejudiced or disturbed thereby. In the event that the application of any of the covenants, agreements, terms or provisions of this Mortgage is held to be invalid, illegal or unenforceable, those covenants, agreements, terms and provisions shall not be in any way prejudiced or disturbed when otherwise applied.

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

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IN WITNESS WHEREOF, this instrument is executed as of the day and year first above written.

THE MORTGAGOR HEREBY DECLARES AND ACKNOWLEDGES THAT THE MORTGAGOR HAS RECEIVED, WITHOUT CHARGE, A TRUE COPY OF THIS MORTGAGE.

ROBERTS AND SCHAEFER COMPANY
a Delaware corporation

By

Its

John Mann
Vice President

Attest:

Wanda W. Brown
Its Secretary

AFFIX CORPORATE SEAL

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that John S. Mauer and Warren W. Browning whose names as Vice President and Secretary of Roberts and Schaefer Company, a Delaware corporation signed to the foregoing instrument, and who are known to me, acknowledged before me on this day that, being informed of the contents of the instrument, they, as such officers and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and Official seal this 30th day of June, 1988.

Karen Wiedenski
Notary Public

(Seal)

My Commission Expires: 1-27-89

Karen Wiedenski
Notary Public in and for the
State of Illinois

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SITE 1
ROBERT AND SCHAEFER COMPANY
3737 BERDNICK ST.
COOK COUNTY
ROLLING MEADOWS, ILLINOIS

EXHIBIT A

Legal Description

LOT 1 IN RESOURCE SERVICE SUBDIVISION OF THE WEST 398.88 FEET OF THE EAST 998.68 FEET OF THE SOUTH 1/2 OF THE NORTH 1/2 OF THE NORTH EAST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Number: 02-23-401-050-0000

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EXHIBIT B

Permitted Title Exceptions

Site Number 1

Those title exceptions listed on title commitment
71-68-722, dated June 30, 1988, issued by Chicago
Title Insurance Company for the property described on Exhibit
A hererin.

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EXHIBIT C

ENVIRONMENTAL MATTERS

- i. The operations of Mortgagor at the Real Property and the Real Property itself presently comply with, and will continue to comply with, all applicable environmental, health and safety statutes, regulations and other governmental requirements, except as follows:
- None.
- ii. Mortgagor has obtained, and will continue to maintain, all environmental, health and safety permits necessary for the operations of Mortgagor; all such permits are in good standing and Mortgagor is and will remain in compliance with all terms and conditions of such permits, except as follows:
- None.
- iii. Neither Mortgagor nor any of its present Real Property or operations is subject to any order from or agreement with any governmental authority or private party respecting the release or threatened release of a contaminant or pollutant into the environment, except as follows:
- None.
- iv. With respect to Mortgagor's Real Property or operations there are no judicial or administrative proceedings pending alleging a violation of any environmental, health or safety statute, regulation, or other governmental requirement, except as follows:
- None.
- v. To the best of Mortgagor's knowledge, none of Mortgagor's present or past operations is the subject of any investigation by any governmental authority evaluating whether any remedial action costing in excess of Two Hundred Thousand and No/100 Dollars (\$200,000.00) is needed to respond to a release or threatened release of a contaminant or pollutant into the environment, except as follows:
- None.

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- vi. Mortgagor has not filed any notice under any statute, regulation, or other governmental requirement indicating past or present treatment, storage or disposal of a hazardous waste, as that term is defined under 40 CFR Part 261 or any state equivalent, except as follows:
- None.
- vii. Mortgagor has not filed any notice under any applicable statute, regulation or other governmental requirement reporting a release of a contaminant or pollutant into the environment, except as follows:
- None.
- viii. There is not now, nor to the best of Mortgagor's knowledge has there ever been on or in the Real Property (A) any generation, treatment, recycling, storage or disposal of any hazardous waste, as that term is defined under 40 CFR Part 261 or any state equivalent, (B) any underground storage tanks or surface impoundments, (C) any polychlorinated biphenyls used in hydraulic oils, electrical transformers or other equipment, or (D) any asbestos containing material, except as follows:
- A. Hazardous Waste. None.
- B. Underground Storage Tanks None.
Surface Impoundments. None.
- C. PCB's. None.
- D. Asbestos-Containing Material. None.
- ix. Mortgagor has no material contingent liability in excess of Two Hundred Thousand and No/100 Dollars (\$200,000.00) in connection with any release or threatened release of any contaminants into the environment, except as follows:
- None.
- x. None of the Real Property is or will become subject to any lien in favor of any governmental entity for (A) liability under federal or state environmental laws or regulations, or (B) damages arising from or costs incurred by such governmental entity in response to a release or

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threatened release of a contaminant or pollutant
into the environment, except as follows:

None.

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Return to Jane Byers - CT1
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