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THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN
TO:

Carole K. Towne, Esq.
Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
55 East Monroe Street
Suite 3700
Chicago, Illinois 60603

DEPT-01 RECORDING 661.0
T00012 TRAN 4204 03/05/97 15:24:00
49564 CG # - 97 - 151980
COOK COUNTY RECORDER

REAL PROPERTY MORTGAGE (Chicago, Illinois)

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THIS REAL PROPERTY MORTGAGE ("Mortgage"), made as of February 21, 1997, is made and executed by Automatic Spring Coiling Co., an Illinois corporation, having its principal offices at 4045 West Thorndale Avenue, Chicago, Illinois 60646 ("Mortgagor"), in favor of Heller Financial, Inc., a Delaware corporation ("Heller"), having an office at 300 West Monroe Street, Chicago, Illinois 60661 ("Lender"), as agent ("Agent") for Lenders (as "Lenders" is defined in the Credit Agreement referred to below).

RECITALS

I Pursuant to the terms of a certain Credit Agreement of even date herewith (said Credit Agreement, together with all amendments, supplements, modifications and replacements thereof, being hereinafter referred to as the "Credit Agreement") by and between Heller, as Agent and as a Lender, such other Lenders as may from time to time become a party thereto, Mortgagor, Matthew Warren, Inc., and CSC Business Acquisition, Inc. (Mortgagor, said Matthew Warren, Inc., and said CSC Business Acquisition, Inc. being hereinafter collectively referred to as "Borrowers"), Lenders have agreed to make loans to Borrowers and extend other financial accommodations to Borrowers in an aggregate principal amount of \$47,000,000 (collectively, the "Loans") The Loans consist of (i) a revolving loan in a maximum principal amount of \$8,000,000, which revolving loan is evidenced by a Revolving Note executed and delivered by Borrowers (said Revolving Note, together with all amendments, supplements, modifications and full or partial replacements thereof, being hereinafter referred to as the "Revolving Note") and has a maturity date of February 28, 2002, (ii) a term loan in the original principal amount of \$12,000,000, which term loan is evidenced by a Term Note A (said Term Note A, together with all amendments, supplements, modifications and full or partial replacements thereof, being hereinafter referred to as "Term Note A") and has a maturity date of February 28, 2002 and (iii) a term loan in the original principal amount of \$27,000,000, which term loan is evidenced

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by a Term Note B (said Term Note B, together with all amendments, supplements, modifications and full or partial replacements thereof, being hereinafter referred to as "Term Note B") and has a maturity date of February 28, 2004. The Revolving Note, Term Note A and Term Note B are hereinafter collectively referred to as the "Notes." The terms and provisions of the Notes and the Loan Agreement are hereby incorporated by reference in this Mortgage. The rates of interest chargeable under the Loan Agreement are disclosed in **Schedule 1** attached hereto.

II. In addition to said term loan, this Mortgage is given to secure a revolving credit facility and secures not only present indebtedness but also future advances, whether such future advances are obligatory or are to be made at the option of Agent or Lenders, or otherwise as are to be made within twenty (20) years of the date hereof. The amount of indebtedness secured hereby may increase or decrease from time to time, however the principal amount of such indebtedness shall not at one time exceed the amount of \$47,000,000 plus interest thereon, and other costs, amounts and disbursements as provided herein and in the other Loan Instruments (hereinafter defined).

GRANTING CLAUSES

To secure the payment of the indebtedness evidenced by the Notes and the payment of all amounts due under and the performance and observance of all covenants and conditions contained in this Mortgage, the Notes, the Credit Agreement, any and all other mortgages, security agreements, assignments of leases and rents, guaranties, reimbursement agreements in connection with any letters of credit and any other documents and instruments now or hereafter executed by Borrowers, or either one of them, to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the Notes, the Credit Agreement and any and all renewals, extensions, amendments and replacements of this Mortgage, the Notes, the Credit Agreement and any such other documents and instruments (the Notes, the Credit Agreement, this Mortgage, such other mortgages, security agreements, assignments of leases and rents, guaranties, reimbursement agreements in connection with any letters of credit, and any other documents and instruments now or hereafter executed and delivered in connection with the Loans, and any and all amendments, renewals, extensions and replacements hereof and thereof, being sometimes referred to collectively as the "Loan Instruments" and individually as a "Loan Instrument") (all indebtedness and liabilities secured hereby being hereinafter sometimes referred to as "Borrowers' Liabilities," the principal amount of which shall, in no event, exceed \$47,000,000) Mortgagor does hereby convey, mortgage, warrant, assign, transfer, pledge and deliver to Agent and grant to Agent a security interest in the following described property subject to the terms and conditions herein:

(A) The land located in Cook County, Illinois, legally described in attached **Exhibit A** ("Land");

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(B) All the buildings, structures, improvements and fixtures of every kind or nature now or hereafter situated on the Land and all machinery, appliances, equipment, furniture and all other personal property of every kind or nature which constitute fixtures with respect to the Land, together with all extensions, additions, improvements, substitutions and replacements of the foregoing ("**Improvements**");

(C) All easements, tenements, rights-of-way, vaults, gores of land, streets, ways, alleys, passages, sewer rights, water courses, water rights and powers and appurtenances in any way belonging, relating or appertaining to any of the Land or Improvements, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired ("**Appurtenances**");

(D)(i) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Land, Improvements or Appurtenances or any part thereof or to any rights appurtenant thereto;

(ii) All compensation, awards, damages, claims, rights of action and proceeds of or on account of (a) any damage or taking, pursuant to the power of eminent domain, of the Land, Improvements or Appurtenances or any part thereof, (b) damage to all or any portion of the Land, Improvements or Appurtenances by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Land, Improvements, Appurtenances or of other property, or (c) the alteration of the grade of any street or highway on or about the Land, Improvements, Appurtenances or any part thereof; and, except as otherwise provided herein, Agent is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor and, except as otherwise provided herein, to apply the same toward the payment of Borrowers' Liabilities; and

(iii) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Land, Improvements or Appurtenances;

(E) All rents, issues, profits, income and other benefits now or hereafter arising from or in respect of the Land, Improvements or Appurtenances (the "**Rents**"); it being intended that this Granting Clause shall constitute an absolute and present assignment of the Rents;

(F) Any and all leases, licenses and other occupancy agreements now or hereafter affecting the Land, Improvements or Appurtenances, together with all security therefor and guaranties thereof and all monies payable thereunder, and all books and records owned by Mortgagor which contain evidence of payments made under the leases and all security given therefor (collectively, the "**Leases**"), subject, however, to the conditional permission given in this Mortgage to Mortgagor to collect the Rents arising under the Leases as provided in this Mortgage;

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(G) Any and all after-acquired right, title or interest of Mortgagor in and to any of the property described in the preceding Granting Clauses; and

(H) The proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding Granting Clauses;

All of the mortgaged property described in the Granting Clauses, together with all real and personal, tangible and intangible property pledged in, or to which a security interest attaches pursuant to, any of the Loan Instruments is sometimes referred to collectively as the "Mortgaged Property." The Rents and Leases are pledged on a parity with the Land and Improvements and not secondarily.

ARTICLE ONE COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Agent as follows:

1.1. **Performance under Credit Agreement, Notes, Mortgage and Other Loan Instruments.** Mortgagor shall perform, observe and comply with or cause to be performed, observed and complied with in a complete and timely manner all provisions hereof, of the Credit Agreement and of the Notes, every other Loan Instrument and every instrument evidencing or securing Borrowers' Liabilities.

1.2. **General Covenants and Representations.** Mortgagor covenants, represents and warrants that as of the date hereof and at all times thereafter during the term hereof: (a) Mortgagor is seized of an indefeasible estate in fee simple in that portion of the Mortgaged Property which is real property, and has good and absolute title to it and the balance of the Mortgaged Property free and clear of all liens, security interests, charges and encumbrances whatsoever except those expressly permitted in writing by Agent, if any (such liens, security interests, charges and encumbrances expressly permitted in writing being hereinafter referred to as the "Permitted Encumbrances"); (b) Mortgagor has good right, full power and lawful authority to mortgage and pledge the Mortgaged Property as provided herein; (c) upon the occurrence of an Event of Default (hereinafter defined), Agent may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Mortgaged Property in accordance with the terms hereof; and (d) Mortgagor will maintain and preserve the lien of this Mortgage as a first and paramount lien on the Mortgaged Property subject only to the Permitted Encumbrances until Borrowers' Liabilities have been paid in full and the Credit Agreement has been terminated.

1.3. **Compliance with Laws and Other Restrictions.** Mortgagor covenants and represents that, to the extent required by the Credit Agreement, the Land and the Improvements and the use thereof presently comply with, and will continue to comply with, all applicable restrictive covenants, zoning and subdivision ordinances and building codes, licenses, health and environmental laws and regulations and all other applicable laws, ordinances, rules and regulations

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1.4. Taxes and Other Charges

1.4.1. **Taxes and Assessments.** Mortgagor shall pay promptly when due all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations, liens and encumbrances of every kind and nature whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or Borrowers' Liabilities; provided, however, that Mortgagor may in good faith contest the validity, applicability or amount of any asserted tax, assessment or other charge in accordance with any provisions which may be set forth in the Credit Agreement regarding the contest of taxes.

1.4.2. **Taxes Affecting Interest of Agent or Lenders.** If any state, federal, municipal or other governmental law, order, rule or regulation, which becomes effective subsequent to the date hereof, in any manner changes or modifies existing laws governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting taxes, so as to impose on Agent or Lenders a tax by reason of its ownership of any or all of the Loan Instruments or measured by Borrowers' Liabilities, requires or has the practical effect of requiring Agent or Lenders to pay any portion of the real estate taxes levied in respect of the Mortgaged Property, to pay any tax levied in whole or in part in substitution for real estate taxes or otherwise affects materially and adversely the rights of Agent or Lenders in respect of the Notes, this Mortgage or the other Loan Instruments, Borrowers' Liabilities and all interest accrued thereon shall, upon thirty (30) days' notice, become due and payable forthwith at the option of Agent, whether or not there shall have occurred an Event of Default, provided, however, that, if Mortgagor may, without violating or causing a violation of such law, order, rule or regulation, pay such taxes or other sums as are necessary to eliminate such adverse effect upon the rights of Agent or Lenders and does pay such taxes or other sums when due, Agent may not elect to declare Borrowers' Liabilities due by reason of the provisions of this Section 1.4.2.

1.5. **Mechanic's and Other Liens.** Mortgagor shall not permit or suffer any mechanic's, laborer's, materialman's, statutory or other lien or encumbrance (other than any lien for taxes and assessments not yet due) to be created upon or against the Mortgaged Property; provided, however, that Mortgagor may in good faith, by appropriate proceeding, contest the validity, applicability or amount of any asserted lien in accordance with any provisions which may be set forth in the Credit Agreement regarding the contest of liens.

1.6 Insurance and Condemnation

1.6.1. **Insurance Policies.** Mortgagor shall, at its sole expense, obtain for, deliver to, assign to and maintain for the benefit of Agent, until Borrowers' Liabilities are paid in full and the Credit Agreement is terminated, such policies of insurance as are required by the Credit Agreement.

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1.6.2. Adjustment of Loss. Except as otherwise may be provided by the Credit Agreement, Agent is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies covering the Mortgaged Property and to collect and receive the proceeds from any such policy or policies. Mortgagor hereby irrevocably appoints Agent as its attorney-in-fact for the purposes set forth in the preceding sentence.

1.6.3. Condemnation Awards. Except as may otherwise be provided in the Credit Agreement, Agent shall be entitled to all compensation, awards, damages, claims, rights of action and proceeds of, or on account of, (i) any damage or taking, pursuant to the power of eminent domain, of the Mortgaged Property or any part thereof, (ii) damage to the Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of other property, or (iii) the alteration of the grade of any street or highway on or about the Mortgaged Property. Agent is hereby authorized, at its option, to commence, appear in and prosecute in its own or Mortgagor's name any action or proceeding relating to any such compensation, awards, damages, claims, rights of action and proceeds and to settle or compromise any claim in connection therewith. Mortgagor hereby irrevocably appoints Agent as its attorney-in-fact for the purposes set forth in the preceding sentence.

1.6.4. Repair; Proceeds of Casualty Insurance and Eminent Domain. If all or any part of the Mortgaged Property shall be damaged or destroyed by fire or other casualty or shall be damaged or taken through the exercise of the power of eminent domain or other cause described in Section 1.6.3, Mortgagor shall promptly and with all due diligence restore and repair the Mortgaged Property whether or not the proceeds, award or other compensation are made available to Mortgagor or are sufficient to pay the cost of such restoration or repair. Except as otherwise may be provided by the Credit Agreement, the entire amount of such proceeds, award or compensation shall be applied to Borrowers' Liabilities in such order and manner as Agent may elect.

1.7. Agent May Pay. Upon Mortgagor's failure to pay any amount required to be paid by Mortgagor under Sections 1.4, 1.5 and 1.6, Agent may pay the same. Mortgagor shall pay to Agent on demand the amount so paid by Agent together with interest at the highest rate payable under the Credit Agreement with respect to the Loans after an "Event of Default" as such term is defined in the Credit Agreement (the "Default Rate") and the amount so paid by Agent together with such interest, shall be added to Borrowers' Liabilities.

1.8. Care of the Mortgaged Property. Mortgagor shall preserve and maintain the Mortgaged Property in good and first class condition and repair. Mortgagor shall not, without the prior written consent of Agent, permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof. Except as otherwise provided in the Credit Agreement or this Mortgage, no new improvements shall be

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constructed on the Mortgaged Property and no part of the Mortgaged Property shall be removed, demolished or altered in any material manner without the prior written consent of Agent.

1.9. **Transfer or Encumbrance of the Mortgaged Property.** Except as permitted by the Credit Agreement, Mortgagor shall not permit or suffer to occur any sale, assignment, conveyance, transfer, mortgage, lease (other than leases made in accordance with the provisions of this Mortgage) or encumbrance of, or any contract for any of the foregoing on an installment basis or otherwise pertaining to, the Mortgaged Property, any part thereof, any interest therein, the beneficial interest in Mortgagor, any interest in the beneficial interest in Mortgagor or in any trust holding title to the Mortgaged Property, or any interest in a corporation, partnership or other entity which owns all or part of the Mortgaged Property or such beneficial interest, whether by operation of law or otherwise, without the prior written consent of Agent having been obtained.

1.10. **Further Assurances.** At any time and from time to time, upon Agent's request, Mortgagor shall make, execute and deliver, or cause to be made, executed and delivered, to Agent, and where appropriate shall cause to be recorded, registered or filed, and from time to time thereafter to be re-recorded, re-registered and refiled at such time and in such offices and places as shall be deemed desirable by Agent, any and all such further mortgages, security agreements, financing statements, instruments of further assurance, certificates and other documents as Agent may consider necessary or desirable in order to effectuate or perfect, or to continue and preserve the obligations under, this Mortgage.

1.11. **Assignment of Rents.** The assignment of rents, income and other benefits contained in Section (E) of the Granting Clauses of this Mortgage shall be fully operative without any further action on the part of either party, and, specifically, Agent shall be entitled, at its option, upon the occurrence of an Event of Default hereunder, to all rents, income and other benefits from the Mortgaged Property, whether or not Agent takes possession of such property. Such assignment and grant shall continue in effect until Borrowers' Liabilities are paid in full, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Mortgaged Property by Agent pursuant to such grant, whether or not foreclosure proceedings have been instituted. Notwithstanding the foregoing, so long as no Event of Default is in existence, Mortgagor shall have the right and authority to continue to collect the rents, income and other benefits from the Mortgaged Property as they become due and payable but not more than thirty (30) days prior to the due date thereof.

1.12. **After-Acquired Property.** To the extent permitted by, and subject to, applicable law, the lien of this Mortgage shall automatically attach, without further act, to all property hereafter acquired by Mortgagor located in or on, or attached to, or used or intended to be used in connection with, or with the operation of, the Mortgaged Property or any part thereof.

1.13. **Leases Affecting Mortgaged Property.** Mortgagor shall comply with and perform in a complete and timely manner all of its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. The assignment contained in Section (E) of the

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Granting Clauses shall not be deemed to impose upon Agent any of the obligations or duties of the landlord or Mortgagor provided in any lease.

1.14. **Management of Mortgaged Property.** Mortgagor shall cause the Mortgaged Property to be managed at all times in accordance with sound business practice.

1.15. **Execution of Leases.** Except as may be otherwise provided in the Credit Agreement, Mortgagor shall not permit any leases to be made of the Mortgaged Property or existing leases to be modified, terminated, extended or renewed without the prior written consent of Agent.

1.16. **Expenses; Indemnity.** Without limitation of any obligation of Mortgagor set forth in the Credit Agreement, Mortgagor shall pay when due and payable, and otherwise on demand made by Agent, all loan fees, appraisal fees, recording fees, taxes, brokerage fees and commissions, abstract fees, title insurance fees, escrow fees, attorneys' fees, court costs, documentary and expert evidence, fees of inspecting architects and engineers, and all other costs and expenses of every character which have been incurred or which may hereafter be incurred by Agent or Lenders in connection with the Loans, including the preparation, execution, delivery and performance of this Mortgage. If Mortgagor fails to pay said costs and expenses as above provided, Agent may elect, but shall not be obligated, to pay the costs and expenses described in this Section 1.16, and if Agent does so elect, then Mortgagor will, upon demand by Agent, reimburse Agent or Lenders, as the case may be, for all such expenses which have been or shall be paid or incurred by it. The amounts paid by Agent shall bear interest at the Default Rate and such amounts, together with such interest, shall be added to Borrowers' Liabilities, shall be immediately due and payable and shall be secured by the lien of this Mortgage and the other Loan Instruments. In the event of foreclosure hereof, Agent shall be entitled to add to the indebtedness found to be due by any court a reasonable estimate of such expenses to be incurred after entry of the decree of foreclosure. To the extent permitted by law, Mortgagor agrees to hold harmless Agent and Lenders against and from, and reimburse them for, all claims, demands, liabilities, losses, damages, judgments, penalties, costs and expenses, including without limitation attorneys' fees, which may be imposed upon, asserted against, or incurred or paid by any of them by reason of or in connection with any bodily injury or death or property damage occurring in or upon or in the vicinity of the Mortgaged Property through any cause whatsoever, or asserted against it on account of any act performed or omitted to be performed hereunder, or on account of any transaction arising out of or in any way connected with the Mortgaged Property, this Mortgage, the other Loan Instruments, any of the indebtedness evidenced by the Notes or any of Borrowers' Liabilities.

1.17. **Agent's Performance of Mortgagor's Obligations.** Subject to the provisions of the Credit Agreement, if Mortgagor fails to pay any tax, assessment, encumbrance or other imposition, or to furnish insurance hereunder, or to perform any other covenant, condition or term in this Mortgage, the Notes, the Credit Agreement or any other Loan Instrument, Agent, after the expiration of any applicable cure or grace periods set forth in the Credit Agreement or other Loan Instrument, may, but shall not be obligated to, pay, obtain or perform the same. All payments made, whether such payments are regular or accelerated payments, and costs and expenses

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incurred or paid by Agent in connection therewith shall be due and payable immediately. The amounts so incurred or paid by Agent shall bear interest at the Default Rate and such amounts, together with interest, shall be added to Borrowers' Liabilities and secured by the lien of this Mortgage and the other Loan Instruments.

1.18. **Payment of Superior Liens.** To the extent that Agent, after the date hereof, pays any sum due under any provision of law or instrument or document creating any lien superior or equal in priority in whole or in part to the lien of this Mortgage, such sum advanced by Agent shall be immediately due and payable, with interest at the Default Rate and shall be deemed to be a part of Borrowers' Liabilities, and Agent shall have and be entitled to a lien on the premises equal in priority with that discharged, and Agent shall be subrogated to and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit Agent to secure the Notes, the Credit Agreement and all obligations and liabilities secured hereby.

1.19. **Environmental Conditions.**

(a) Except as disclosed in the Credit Agreement, Mortgagor covenants, warrants and represents that there are no, nor will there, for so long as any of Borrowers' Liabilities remain outstanding, be, any Hazardous Materials (as hereinafter defined) generated, released, stored, buried or deposited over, beneath, in or upon the Mortgaged Property except as such Hazardous Materials may be required to be used, stored or transported in connection with the permitted uses of the Mortgaged Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor. For purposes of this Mortgage, "Hazardous Materials" shall mean and include any pollutants, flammables, explosives, petroleum (including crude oil) or any fraction thereof, radioactive materials, hazardous wastes, toxic substances or related materials, including, without limitation, any substances defined as or included in the definition of toxic or hazardous substances, wastes, or materials under any federal, state or local laws, ordinances, regulations or guidances which regulate, govern, prohibit or pertain to the generation, manufacture, use, transportation, disposal, release, storage, treatment of, or response or exposure to, toxic or hazardous substances, wastes or materials. Such laws, ordinances and regulations are hereinafter collectively referred to as the "Hazardous Materials Laws."

(b) Mortgagor shall, and Mortgagor shall cause all employees, agents, contractors and subcontractors of Mortgagor and any other persons from time to time present on or occupying the Mortgaged Property to, keep and maintain the Mortgaged Property in compliance with, and not cause or knowingly permit the Mortgaged Property to be in violation of, any applicable Hazardous Materials Laws. Neither Mortgagor nor any employees, agents, contractors or subcontractors of Mortgagor or any other persons occupying or present on the Mortgaged Property shall use, generate, manufacture, store or dispose of on, under or about the

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Mortgaged Property or transport to or from the Mortgaged Property any Hazardous Materials, except as such Hazardous Materials may be required to be used, stored or transported in connection with the permitted uses of the Mortgaged Property and then only to the extent permitted by law after obtaining all necessary permits and licenses therefor.

(c) Mortgagor shall immediately advise Agent in writing of: (i) any notices received by Mortgagor (whether such notices are from the Environmental Protection Agency, or any other federal, state or local governmental agency or regional office thereof) of the violation or potential violation occurring on or about the Mortgaged Property of any applicable Hazardous Materials Laws; (ii) any and all enforcement, cleanup, removal or other governmental or regulatory actions instituted, completed or threatened pursuant to any Hazardous Materials Laws; (iii) all claims made or threatened by any third party against Mortgagor or the Mortgaged Property relating to damage, contribution, cost recovery compensation, loss or injury resulting from any Hazardous Materials (the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "**Hazardous Materials Claims**"); and (iv) Mortgagor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could reasonably be expected to cause the Mortgaged Property or any part thereof to be subject to any Hazardous Materials Claims. Notwithstanding the foregoing, Mortgagor shall not have any obligation to notify Agent of any threatened Hazardous Materials Claim of which it has no knowledge. Agent shall have the right but not the obligation to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Materials Claims and Mortgagor shall pay to Agent, upon demand, all attorneys' and consultants' fees incurred by Agent in connection therewith.

(d) Mortgagor shall be solely responsible for, and shall indemnify and hold harmless Agent and Lenders, and the directors, officers, employees, agents, successors and assigns of each of them, from and against, any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence (whether prior to or during the term of the Loans or otherwise and regardless of by whom caused, whether by Mortgagor or any predecessor in title or any owner of land adjacent to the Mortgaged Property or any other third party, or any employee, agent, contractor or subcontractor of Mortgagor or any predecessor in title or any such adjacent land owner or any third person) of Hazardous Materials on, under or about the Mortgaged Property; including, without limitation: (i) claims of third parties (including governmental agencies) for damages, penalties, losses, costs, fees, expenses, damages, injunctive or other relief; (ii) response costs, clean-up costs, costs and expenses of removal and restoration, including fees of attorneys and experts, and costs of determining the existence of Hazardous Materials and

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reporting same to any governmental agency, and (iii) any and all expenses or obligations, including attorneys' fees, incurred at, before and after any trial or appeal therefrom whether or not taxable as costs, including, without limitation, attorneys' fees, witness fees, deposition costs, copying and telephone charges and other expenses. Notwithstanding anything to the contrary in this Mortgage, Mortgagor shall have no liability under this subsection (d) for any Hazardous Materials which are first generated, released, stored, buried, incorporated or deposited over, beneath, in, on, under, about or from the Mortgaged Property after the date that Mortgagor no longer holds title to the Mortgaged Property as a result of a foreclosure or deed in lieu of foreclosure, provided that, neither Mortgagor, nor any employees, agents, contractors, or subcontractors of Mortgagor, nor any persons occupying or present on the Land or the Improvements during the period of Mortgagor's ownership, shall have contributed to the presence of such Hazardous Materials.

(e) Any loss, damage, cost, expense or liability incurred by Agent or Lenders as a result of a breach or misrepresentation by Mortgagor or for which Mortgagor is responsible or for which Mortgagor has indemnified Agent and Lenders, pursuant to the provisions hereof, shall be paid to Agent or Lenders on demand, and, failing prompt reimbursement, such amounts shall, together with interest thereon at the Default Rate from the date incurred by Agent or Lender, as the case may be, until paid by Mortgagor, be added to Borrowers' Liabilities, be immediately due and payable and be secured by the lien of this Mortgage and the other Loan Instruments.

(f) Agent may, in its sole discretion, require Mortgagor, at its sole cost and expense, from time to time to perform or cause to be performed, such studies or assessments of the Mortgaged Property, as Agent may reasonably deem necessary or appropriate or desirable, to determine the status of environmental conditions on and about the Mortgaged Property, which such studies and assessments shall be for the benefit of, and be prepared in accordance with the specifications established by, Agent.

(g) Mortgagor hereby grants to Agent, its agents, employees and contractors, access to the Mortgaged Property, from time to time upon prior written notice, for the purpose of either (i) taking such action as Agent shall determine to be appropriate to respond to a release, threatened release, or the presence of Hazardous Materials, or any related condition, on or about the Mortgaged Property; or (ii) conducting such studies or assessments of the Mortgaged Property, as Agent may reasonably deem necessary or appropriate or desirable.

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ARTICLE TWO DEFAULTS

2.1. **Event of Default.** The term "Event of Default," wherever used in this Mortgage, shall mean any one or more of the following events:

(a) The failure by Mortgagor: (i) to pay any taxes or assessments required to be paid hereunder or any other sums to be paid by Mortgagor as and when required hereunder, or (ii) to keep, perform or observe any other covenant, condition or agreement on the part of Mortgagor in this Mortgage which continues for a period of thirty (30) days following the delivery of written notice to Mortgagor of such failure.

(b) The occurrence of an "Event of Default" under and as defined in the Credit Agreement or any of the other Loan Instruments.

ARTICLE THREE REMEDIES

3.1. **Acceleration of Maturity.** If an Event of Default shall have occurred, Agent may declare the outstanding principal amount of the Notes and the interest accrued thereon and any other of Borrowers' Liabilities to be immediately due and payable, and upon such declaration such principal and interest and other Borrowers' Liabilities declared due shall immediately become and be due and payable without further demand or notice.

3.2. **Agent's Power of Enforcement.** If an Event of Default shall have occurred, Agent may, either with or without entry or taking possession as provided in this Mortgage or otherwise, and without regard to whether or not Borrowers' Liabilities shall have been accelerated, and without prejudice to the right of Agent thereafter to bring an action of foreclosure or any other action for any default existing at the time such earlier action was commenced or arising thereafter, proceed by any appropriate action or proceeding: (a) to enforce payment of the Notes and/or any other of Borrowers' Liabilities or the performance of any term hereof or any of the other Loan Instruments; (b) to foreclose this Mortgage and to have sold, as an entirety or in separate lots or parcels, the Mortgaged Property; and (c) to pursue any other remedy available to it. Agent may take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as Agent may determine.

3.3. **Agent's Right to Enter and Take Possession, Operate and Apply Income.**

(a) If an Event of Default shall have occurred, Mortgagor, upon demand of Agent, shall forthwith surrender to Agent the actual possession of the Mortgaged Property, and to the extent permitted by law, Agent itself, or by such officers or agents as it may appoint, is hereby expressly authorized to enter and take possession of all or any portion of the Mortgaged Property and may exclude

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Mortgagor and its agents and employees wholly therefrom and shall have joint access with Mortgagor to the books, papers and accounts of Mortgagor.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after Agent's demand, Agent may obtain a judgment or decree conferring on Agent the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged Property to Agent, to the entry of which judgment or decree Mortgagor hereby specifically consents. Mortgagor shall pay to Agent, upon demand, all costs and expenses of obtaining such judgment or decree and reasonable compensation to Agent, its attorneys and agents, and all such costs, expenses and compensation shall until paid, be secured by the lien of this Mortgage.

(c) Upon every such entering upon or taking of possession, Agent, to the extent permitted by law, may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof.

3.4. **Leases.** Agent is authorized to foreclose this Mortgage subject to the rights, if any, of any or all tenants of the Mortgaged Property, even if the rights of any such tenants are or would be subordinate to the lien of this Mortgage. Agent may elect to foreclose the rights of some subordinate tenants while foreclosing subject to the rights of other subordinate tenants.

3.5. **Purchase by Agent.** Upon any foreclosure sale, Agent may bid for and purchase all or any portion of the Mortgaged Property.

3.6. **Application of Foreclosure Sale Proceeds.** The proceeds of any foreclosure sale of the Mortgaged Property or any part thereof received by Agent shall be applied by Agent to the indebtedness secured hereby in such order and manner as Agent may elect.

3.7. **Application of Indebtedness Toward Purchase Price.** Upon any foreclosure sale, Agent may apply any or all of the indebtedness and other sums due to Agent under the Notes, this Mortgage or any other Loan Instrument to the price paid by Agent at the foreclosure sale.

3.8. **Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws.** Mortgagor hereby waives any and all rights of redemption. Mortgagor further agrees, to the full extent permitted by law, that in case of an Event of Default, neither Mortgagor nor anyone claiming through or under it will set up, claim or seek to take advantage of any reinstatement, appraisal, valuation, stay or extension laws now or hereafter in force, or take any other action which would 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 thereat. 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

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marshalled upon any foreclosure of the lien hereof and agrees that Agent or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et seq.) (herein called the "Act")) or residential real estate (as defined in Section 15-1219 of the Act), and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1601 of the Act

3.9 Receiver - Agent in Possession. If an Event of Default shall have occurred, Agent, to the extent permitted by law and without regard to the value of the Mortgaged Property or the adequacy of the security for the indebtedness and other sums secured hereby, shall be entitled as a matter of right and without any additional showing or proof, at Agent's election, to either the appointment by the court of a receiver (without the necessity of Agent posting a bond) to enter upon and take possession of the Mortgaged Property and to collect all rents, income and other benefits thereof and apply the same as the court may direct or to be placed by the court into possession of the Mortgaged Property as mortgagee in possession with the same power herein granted to a receiver and with all other rights and privileges of a mortgagee in possession under law. The right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect all rents, income and other benefits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law and may be exercised concurrently therewith or independently thereof. Agent shall be liable to account only for such rents, income and other benefits actually received by Agent, whether received pursuant to this Section 3.09 or Section 3.03. Notwithstanding the appointment of any receiver or other custodian, Agent shall be entitled as pledgee to the possession and control of any cash, deposits or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to Agent.

3.10. Mortgagor to Pay Borrowers' Liabilities in Event of Default; Application of Monies by Agent.

(a) Upon occurrence of an Event of Default, Agent shall be entitled to sue for and to recover judgment against Mortgagor for Borrowers' Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of Lender's agents, attorneys and other representatives, either before, after or during the pendency of any proceedings for the enforcement of this Mortgage; and the right of Agent to recover such judgment shall not be affected by any taking of possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of Borrowers'

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Liabilities, Agent shall be entitled to enforce all other rights and remedies under the Loan Instruments.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any judgment by Agent under any of the Loan Instruments, and no attachment or levy of execution upon any of the Mortgaged Property or any other property of Mortgagor, shall (except as otherwise provided by law) in any way affect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Agent hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before until Borrowers' Liabilities are paid in full.

(d) Any monies collected or received by Agent under this Section 3.10 shall be applied to the payment of compensation, expenses and disbursements of the agents, attorneys and other representatives of Agent, and the balance remaining shall be applied to the payment of Borrowers' Liabilities, in such order and manner as Agent may elect, and any surplus, after payment of all Borrowers' Liabilities, shall be paid to Mortgagor.

3.11. Remedies Cumulative. No right, power or remedy conferred upon or reserved to Agent by the Notes, the Credit Agreement, this Mortgage or any other Loan Instrument or any instrument evidencing or securing Borrowers' Liabilities is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Notes or any other Loan Instrument or any instrument evidencing or securing Borrowers' Liabilities, or now or hereafter existing at law, in equity or by statute.

ARTICLE FOUR MISCELLANEOUS PROVISIONS

4.1. Successors and Assigns Included in Parties. Whenever Mortgagor or Agent is named or referred to herein, successors and assigns of such entity shall be included, and all covenants and agreements contained in this Mortgage shall bind the successors and assigns of Mortgagor, including any subsequent owner of all or any part of the Mortgaged Property and inure to the benefit of the successors and assigns of Agent. This Section 4.01 shall not be construed to permit an assignment, transfer, conveyance, encumbrance or other disposition otherwise prohibited by this Mortgage.

4.2. Notices. All notices, requests, reports demands or other instruments required or contemplated to be given or furnished under this Mortgage to Mortgagor or Agent shall be directed to Mortgagor or Agent, as the case may be, in the manner set forth in the Credit Agreement at the following addresses:

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If to Agent: HELLER FINANCIAL, INC.
500 West Monroe Street
Chicago, Illinois 60661
ATTN: Portfolio Manager
Portfolio Organization
Corporate Finance Group
Telecopy: (312) 441-7367

With a copy to: HELLER FINANCIAL, INC.
500 West Monroe Street
Chicago, Illinois 60661
ATTN: Legal Department
Portfolio Organization
Corporate Finance Group
Telecopy: (312) 441-7367

If to Mortgagor: AUTOMATIC SPRING COILING CO.
c/o Matthew Warren, Inc.
500 East Ottawa Street
Logansport, Indiana 46947
ATTN: James Callaghan
Telecopy: (219) 722-8224

With a copy to: THE HARBOUR GROUP
7701 Forsyth Boulevard
St. Louis, Missouri 63105
ATTN: Francis M. Loveland
Telecopy: (314) 727-0947

4.3. **Headings.** The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

4.4. **Invalid Provisions.** 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 the application of the covenant, agreement, term held to be invalid, illegal or unenforceable, to persons or circumstances other than those in respect of which it is invalid, illegal or unenforceable) shall be in no way affected, prejudiced or disturbed thereby.

4.5. **Changes.** Neither this Mortgage nor any term hereof may be released, 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 release, change, waiver,

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discharge or termination is sought. To the extent permitted by law, any agreement hereafter made by Mortgagor and Agent relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance. Any holder of a lien or encumbrance junior to the lien of this Mortgage shall take its lien subject to the right of Agent to amend, modify or supplement this Mortgage, the Notes, the Credit Agreement or any of the other Loan Instruments, to extend the maturity of Borrowers' Liabilities or any portion thereof, to vary the rate of interest chargeable under the Notes and/or the Credit Agreement and to increase the amount of the indebtedness secured hereby, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

4.6. **Governing Law.** The validity and interpretation of this Mortgage shall be governed by and in accordance with the laws of the State of Illinois.

4.7. **Limitation of Interest.** The provisions of the Credit Agreement regarding the payment of lawful interest are hereby incorporated herein by reference.

4.8. **Future Advances.** This Mortgage is given to secure not only existing indebtedness, but also future advances (whether such advances are obligatory or are to be made at the option of Agent or Lenders, or otherwise) made by Lenders under the Notes or the Credit Agreement, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the principal amount of all indebtedness secured hereby shall, in no event, exceed \$47,000,000. The lien of this Mortgage shall remain in effect until the last dollar of Borrowers' Liabilities is paid in full and all obligations of Agent and Lenders under the Credit Agreement have been terminated.

4.9. **Release.** Upon full payment and satisfaction of Borrowers' Liabilities and the termination of all obligations of Agent and Lenders under the Credit Agreement, Agent shall issue to Mortgagor an appropriate release deed in recordable form.

4.10. **Attorneys' Fees; Expenses.** Whenever reference is made herein to the payment or reimbursement of attorneys' fees, such fees shall be deemed to include compensation to staff counsel, if any, of Agent in addition to the fees of any other attorneys engaged by Agent. All expenses incurred by Agent to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, including without limitation attorneys' fees, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

4.11. **Credit Agreement.** The Loans are governed by terms and provisions set forth in the Credit Agreement and, except with respect to the provisions of Section 1.19 hereof, in the event of any conflict between the terms of this Mortgage and the terms of the Credit Agreement, the terms of the Credit Agreement shall control.

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IN WITNESS WHEREOF, Mortgagor has caused this instrument to be executed by its duly authorized officer as of the day and year first above written.

AUTOMATIC SPRING COILING CO.,
an Illinois corporation

By *Jane H. Callahan*
Its CFO, Treasurer and Secretary

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EXHIBIT A

Legal Description

THE SOUTH 33 FEET OF LOT 2 (EXCEPT THE EAST 449.45 FEET THEREOF) IN PETERSON INDUSTRIAL AND COMMERCIAL DISTRICT, BEING OWNERS DIVISION OF PART OF LOTS 1, 2, 3, 9 AND 10 IN COOK'S SUBDIVISION OF THE SOUTHEAST FRACTIONAL 1/4, SOUTH OF INDIAN BOUNDARY LINE OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO:

ALL OF THAT PART OF LOT 3 IN SAID PETERSON INDUSTRIAL AND COMMERCIAL DISTRICT, AFORESAID, LYING SOUTH OF THE NORTH LINE OF THE SOUTH 33 FEET OF SAID LOT 2 IN SAID PETERSON INDUSTRIAL AND COMMERCIAL DISTRICT, AFORESAID, EXTENDED WEST TO THE EASTERLY LINE OF THE RIGHT OF WAY OF CHICAGO AND NORTHWESTERN RAILWAY AND LYING NORTHERLY OF THE NORTHERLY LINE OF A TRACT OF LAND DESCRIBED IN PARAGRAPH 3 IN DEED DATED APRIL 1929 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS AS DOCUMENT NUMBER 10,405,656, SAID NORTHERLY LINE BEING A CURVED LINE 148.54 FEET IN LENGTH WITH A RADIUS OF 368.26 FEET DRAWN FROM A POINT IN THE EASTERLY LINE OF SAID LOT 3, 600.42 FEET MORE OR LESS SOUTHWESTERLY OF THE NORTHEASTERLY CORNER OF SAID LOT, TO A POINT ON THE WESTERLY LINE OF SAID LOT WHICH IS 611.36 FEET MORE OR LESS SOUTHWESTERLY OF THE NORTHWESTERLY CORNER OF SAID LOT, ALSO;

THAT PART OF LOT 4 IN SAID PETERSON INDUSTRIAL AND COMMERCIAL DISTRICT, AFORESAID, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF SAID LOT 4, WHICH POINT IS 1.93 FEET WEST OF THE NORTHEAST CORNER THEREOF, SAID POINT BEING ALSO 449.45 FEET WEST OF THE NORTHEAST CORNER OF LOT 5 IN SAID PETERSON INDUSTRIAL AND COMMERCIAL DISTRICT; THENCE SOUTHWESTERLY ON A LINE PARALLEL WITH THE EASTERLY LINE OF SAID LOT 4, A DISTANCE OF 135.68 FEET SOUTHWESTERLY ON A CURVED LINE CONVEXED SOUTHEASTERLY, TANGENT TO THE LAST DESCRIBED STRAIGHT LINE AND HAVING A RADIUS OF 368.26 FEET A DISTANCE OF 331.34 FEET SAID LAST DESCRIBED CURVED LINE BEING THE NORTHERLY LINE AND ITS EXTENSION NORTHEASTERLY OF THE RIGHT OF WAY CONVEYED TO CHICAGO AND NORTHWESTERN RAILWAY COMPANY BY DEEDS DATED APRIL 24, 1929 AND MARCH 29, 1930 AND RECORDED AS DOCUMENT NUMBERS 10,405,656 AND 10,630,417, RESPECTIVELY; THENCE CONTINUING WESTERLY ALONG SAID RIGHT OF WAY LINE BEING A CURVED LINE, CONVEXED SOUTHERLY AND HAVING A RADIUS OF 705.4 FEET A DISTANCE OF 100.61 FEET (ARC); THENCE WEST ON SAID RIGHT OF WAY BEING A STRAIGHT LINE TANGENT TO THE LAST DESCRIBED CURVED LINE A DISTANCE OF 122.77 FEET; THENCE SOUTHWESTERLY ALONG SAID RIGHT OF WAY LINE BEING A CURVED LINE CONVEXED NORTHWESTERLY WITH A RADIUS OF 368.26 FEET FOR A DISTANCE OF 139.32 FEET; THENCE SOUTHWESTERLY ALONG THE RIGHT OF WAY LINE ON A STRAIGHT LINE TANGENT TO THE LAST DESCRIBED CURVED LINE A DISTANCE OF 75.35 FEET TO ITS INTERSECTION WITH THE WESTERLY LINE OF SAID LOT 4; THENCE NORTHEASTERLY ALONG SAID WESTERLY LINE OF SAID LOT 4, A DISTANCE OF 414.43 FEET MORE OR LESS TO THE NORTHWEST CORNER OF SAID LOT 4; THENCE EAST ALONG THE NORTH LINE OF SAID LOT 4, A DISTANCE OF 545.67 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS.

Permanent Index Number: 13-03-405-005	Volume: 320
Permanent Index Number: 13-03-405-006	Volume: 320
Permanent Index Number: 13-03-405-027	Volume: 320
Permanent Index Number: 13-03-405-028	Volume: 320

Property Address: 4045 N. Warden, Chicago, IL

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SCHEDULE I

Interest Rates

Term Note B shall bear interest at the sum of the Base Rate plus one and one-half of one percent (1.50%) per annum, and (ii) the Revolving Note, Term Note A and all other Borrower's Liabilities (other than the principal balance of Term Note B) shall bear interest at the sum of the Base Rate plus one percent (1.00%) per annum. "Base Rate" means a variable rate of interest per annum equal to the rate of interest from time to time published by the Board of Governors of the Federal Reserve System in Federal Reserve statistical release H.15 (519) entitled "Selected Interest Rates" as the Bank prime loan rate. Base Rate also includes rates published in any successor publications of the Federal Reserve System reporting the Bank prime loan rate or its equivalent. The statistical release generally sets forth a Bank prime loan rate for each business day. The applicable Bank prime loan rate for any date not set forth shall be the rate set forth for the last preceding date. In the event the Board of Governors of the Federal Reserve System ceases to publish a Bank prime loan rate or equivalent, the term "Base Rate" shall mean a variable rate of interest per annum equal to the highest of the "prime rate," "reference rate," "base rate" or other similar rate as determined by Agent announced from time to time by any of Bankers Trust Company, The Chase Manhattan Bank, National Association or Citibank N.A. (with the understanding that any such rate may merely be a reference rate and may not necessarily represent the lowest or best rate actually charged to any customer by such bank.)

After the occurrence of an Event of Default, the Loans shall bear interest at a rate equal to two percent (2.00%) in excess of the rate or rates otherwise chargeable.