

THIS INSTRUMENT PREPARED BY
& AFTER RECORDING RETURN TO:

Michael B. Manuel, Esq.
Goldberg, Kohn, Bell, Black,
Rosenbloom & Moritz, Ltd.
55 East Monroe Street
Suite 3700
Chicago, Illinois 60603
(312) 201-4000

REAL PROPERTY MORTGAGE

(Chicago, Illinois)

THIS REAL PROPERTY MORTGAGE ("Mortgage"), made as of February 3, 1998, is made and executed by Cobra Electronics Corporation, a Delaware corporation, having its principal offices at 6500 West Cortland, Chicago, Illinois 60635 ("Mortgagor"), in favor of LaSalle Business Credit, Inc. as agent ("Agent") for itself as a Lender (hereinafter defined) and for other Lenders (hereinafter defined).

RECITALS

I. Pursuant to the terms of a certain Loan and Security Agreement of even date herewith (said Loan Agreement, together with all amendments, supplements, modifications and replacements thereof, being hereinafter referred to as the "Loan Agreement") by and between LaSalle Business Credit, Inc. and LaSalle National Bank as lenders (each a "Lender" and collectively "Lenders") and Mortgagor, Lenders have agreed to make loans to Mortgagor and extend other financial accommodations to Mortgagor in an aggregate principal amount of \$35,000,000 (collectively, the "Loans"). The Loans consist of a revolving loan in a maximum principal amount of \$35,000,000 which revolving loan is evidenced by two Revolving Notes (said Revolving Notes, together with all amendments, supplements, modifications and full or partial replacements thereof, being hereinafter referred to collectively as the "Notes"), a form of which is attached hereto as Exhibit A, and which Notes mature on February 3, 2001, subject to certain renewal provisions. The terms and provisions of the Notes and the Loan Agreement are hereby incorporated by reference in this Mortgage. The rate or rates of interest payable under the Loan Agreement may be variable.

II. 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 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 any time exceed the

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amount of \$100,000,000 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 Loan 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 Mortgagor or any party related thereto or affiliated therewith to evidence, secure or guarantee the payment of all or any portion of the indebtedness under the Notes, the Loan Agreement and any and all renewals, extensions, amendments and replacements of this Mortgage, the Notes, the Loan Agreement and any such other documents and instruments (the Notes, the Loan 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 "Borrower's Liabilities" the principal amount of which indebtedness and liabilities being secured hereby shall, in no event, exceed \$100,000,000) 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 B ("Land");

(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;

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(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 the indebtedness and other sums secured hereby; 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, subject, however, to the conditional permission given to Mortgagor to collect and use the Rents as provided in this Mortgage;

(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;

(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.

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ARTICLE ONE COVENANTS OF MORTGAGOR

Mortgagor covenants and agrees with Agent as follows:

1.1 Performance under Loan 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 Loan Agreement and of the Notes, every other Loan Instrument and every instrument evidencing or securing Borrower's 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 Borrower's Liabilities have been paid in full and Lenders' obligations under the Loan Agreement have been terminated.

1.3 Compliance with Laws and Other Restrictions. Mortgagor covenants and represents that the Land and the Improvements and the use thereof presently comply in all material respects with, and will continue to comply in all material respects 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.

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 Borrower's Liabilities; provided, however, that Mortgagor may in good faith contest the validity, applicability or amount of any tax, assessment or other charge, if, on or before the due date of the asserted tax, assessment, or other charge, Mortgagor shall

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obtain an endorsement, in form and substance satisfactory to Agent, to the loan policy of title insurance issued to Agent insuring the lien of this Mortgage, insuring over such tax, assessment or other charge and if Mortgagor otherwise complies with any provisions which may be set forth in the Loan Agreement regarding the contest of taxes.

1.4.2 Taxes Affecting Lenders' Interest. 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 Lenders a tax by reason of their ownership of any or all of the Loan Instruments or measured by the principal amount of Borrower's Liabilities, requires or has the practical effect of requiring Agent or any Lender to pay any portion of the real estate taxes levied in respect of the mortgaged Property or 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 any Lender in respect of Borrower's Liabilities, this Mortgage or the other Loan Instruments, Borrower's 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 Lenders and does pay such taxes or other sums when due, Agent may not elect to declare due Borrower's Liabilities 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 proceedings, contest the validity, applicability or amount of any asserted lien, if Mortgagor shall first obtain an endorsement, in form and substance satisfactory to Agent, to the loan policy of title insurance issued to Agent insuring the lien of this Mortgage, insuring over such asserted lien and if Mortgagor otherwise complies with any provisions which may be set forth in the Loan 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 Lenders, until Borrower's Liabilities are paid in full, such policies of insurance as are required by the Loan Agreement.

1.6.2 Adjustment of Loss. Except as otherwise may be provided by the Loan 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.

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1.6.3 Condemnation Awards. 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 Loan Agreement, the entire amount of such proceeds, award or compensation shall be applied to Borrower's 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 rate payable under the Loan Agreement after the occurrence of an "Event of Default" as such term is defined in the Loan Agreement (the "Default Rate") and the amount so paid by Agent together with interest, shall be added to Borrower's 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 Loan Agreement or this Mortgage, no new improvements shall be 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 Loan 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,

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any interest therein, 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 Borrower's Liabilities are paid in full and the Loan Instruments have been terminated, 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 has occurred or is continuing, 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 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 Loan Agreement, Mortgagor shall not permit any leases to be made of the Mortgaged Property or

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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 Loan 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 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 interest, shall be added to Borrower's 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 the 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 Lenders against and from, and reimburse each of 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 the Loan Agreement or any of Borrower's Liabilities.

1.17 Agent's Performance of Mortgagor's Obligations. 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 Loan Agreement or any other Loan Instrument, Agent 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 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 Borrower's 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

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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 Borrower's Liabilities, and Agent shall have and be entitled to a lien on the Mortgaged Property equal in parity 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 Loan Agreement and all obligations and liabilities secured hereby.

1.19 Environmental Conditions.

(a) Mortgagor covenants, warrants and represents that there are no, nor will there, for so long as any of Borrower's 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 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.

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(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 cause the Mortgaged Property or any part thereof to be subject to any Hazardous Materials Claims. 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 Lenders, their respective directors, officers, employees, agents, successors and assigns 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 reporting same to any governmental agency; and (iii) any and all expenses or obligations, including attorneys' fees, incurred at, before or 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. The obligations of Mortgagor under this subsection shall survive any of the foreclosure of this Mortgage, the repayment of Borrower's Liabilities, or other

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satisfaction of the indebtedness secured by this Mortgage, whether by deed in lieu of foreclosure or otherwise.

(e) Mortgagor hereby represents, warrants and certifies that: (i) the execution and delivery of the Loan Instruments is not a transfer of "real property" under and as defined in the Illinois Responsible Property Transfer Act (765 ILCS 90/1 et seq.), as amended from time to time ("RPTA"); (ii) there are no underground storage tanks located on, under or about the Mortgaged Property which are subject to the notification requirements under Section 9002 of the Solid Waste Disposal Act, as now or hereafter amended (42 U.S.C. § 6991); and (iii) there is no facility located on or at the Mortgaged Property which is subject to the reporting requirements of Section 312 of the federal Emergency Planning and Community Right to Know Act of 1986 and the federal regulations promulgated thereunder (42 U.S.C. § 11022), as "facility" is defined in RPTA.

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

(g) If Agent in its sole discretion determines that there is a reasonable basis to suspect that a portion of the Mortgaged Property may be affected by Hazardous Materials, Agent may require Mortgagor, at its sole cost and expense, to perform or cause to be performed, such studies or assessments of the Mortgaged Property, as Agent may 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.

(h) 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 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 keep, perform, or observe any covenant, condition or agreement contained in Sections 1.4.1, 1.6.1, 1.9 or 1.19 hereof; or (ii) to keep, perform or observe any other covenant, condition or agreement on the part of Mortgagor in this Mortgage.

(b) The occurrence of an "Event of Default" under and as defined in the Loan 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 Borrower's Liabilities to be immediately due and payable, and upon such declaration such principal and interest and other Borrower's Liabilities declared due shall immediately become and be due and payable without further demand or notice. The foregoing shall not be in limitation of any provision contained in any other Loan Instrument, including without limitation any such provision pursuant to which Borrower's Liabilities become immediately due and payable without action or election by Agent.

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 Borrower's 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 Borrower's 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.

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

(a) If an Event of Default shall have occurred, (i) 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 Mortgagor and its agents and employees wholly therefrom and shall have joint access with Mortgagor to the books, papers and accounts of Mortgagor; and (ii) notwithstanding the provisions of any lease or other agreement to the contrary, Mortgagor shall pay monthly in advance to Agent, on Agent's entry into possession, or to any receiver appointed to collect the rents, income and other benefits of the Mortgaged Property, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of Mortgagor, or any entity affiliated with or controlled by Mortgagor, and upon default in any such payment Mortgagor shall vacate and surrender possession of such part of the Mortgaged Property to Agent or to such receiver, and in default thereof Mortgagor may be evicted by summary proceedings or otherwise.

(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. If Agent so elects, Agent is authorized to foreclose this Mortgage subject to or prior to the rights, if any, of any or all tenants of the Mortgaged Property. 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 and, upon compliance with the terms of

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the sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

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, the Loan Agreement, 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 thereof. 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 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,

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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 3.9 or Section 3.3. 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 Borrower's 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 Borrower's Liabilities due and unpaid together with costs and expenses, including, without limitation, the reasonable compensation, expenses and disbursements of Agent'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 Borrower's 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 Borrower's 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 Borrower's Liabilities, in such order and manner as Agent may elect, and any surplus, after payment of all Borrower's Liabilities, shall be paid to Mortgagor.

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3.11 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Agent or Lenders by the Notes, the Loan Agreement, this Mortgage or any other Loan Instrument or any instrument evidencing or securing Borrower's 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, the Loan Agreement or any other Loan Instrument or any instrument evidencing or securing Borrower's Liabilities, or now or hereafter existing at law, in equity or by statute.

ARTICLE FOUR MISCELLANEOUS PROVISIONS

4.1 Heirs, Successors and Assigns Included in Parties. Whenever Mortgagor, Agent or any of the Lenders is named or referred to herein, heirs and successors and assigns of such person or 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 Lenders. This Section 4.1 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 Loan Agreement at the following addresses:

If to Agent: LaSalle Business Credit, Inc.
135 South LaSalle Street
Suite 501
Chicago, Illinois 60603
Attn: Scott Busch

If to Mortgagor: Cobra Electronics Corporation
6500 West Cortland
Chicago, Illinois 60635
Attn: President

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

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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, discharge or termination is sought.

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 Loan 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 Lenders, or otherwise) made by Lenders under the Notes or the Loan 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 \$100,000,000. The lien of this Mortgage shall remain in effect until the last dollar of Borrower's Liabilities is paid in full and all of Lenders' obligations under the Loan Agreement have been terminated.

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

4.10 **Attorneys' Fees.** 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.

4.11 **Loan Agreement.** The Loans are governed by terms and provisions set forth in the Loan Agreement and in the event of any conflict between the terms of this Mortgage and the terms of the Loan Agreement, the terms of the Loan Agreement shall control.

4.12 **Compliance with Illinois Mortgage Foreclosure Law.** In the event that any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Agent

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any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Agent under the Act in the absence of said provision, Agent shall be vested with the rights granted in the Act to the full extent permitted by law. Without limiting the generality of the foregoing, 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, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

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

ATTEST:

COBRA ELECTRONICS CORPORATION
a Delaware corporation

By
Its

[Signature]
Attorney

By
Its

[Signature]
UP-FINANCE

Property of Cook County Clerk's Office

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Sara A. McIntire, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Gerald M. Laurels and _____ the VP. Finance and _____ of COBRA ELECTRONICS CORPORATION, a Delaware corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 20 day of January

1973

Sara A. McIntire
Notary Public

My Commission Expires:



Office

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EXHIBIT A

NOTES

See Attached.

Property of Cook County Clerk's Office

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COPY

REVOLVING NOTE

Executed as of the ___ day of
February, 1998 at Chicago, Illinois

Amount \$17,500,000

FOR VALUE RECEIVED, the Undersigned promises to pay to the order of **LASALLE BUSINESS CREDIT, INC.** (hereinafter, together with any holder hereof, called "LaSalle"), at the main office of LaSalle, 135 South LaSalle Street, Chicago, Illinois 60603, the principal sum of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) plus the aggregate unpaid principal amount of all advances made by LaSalle to the Undersigned pursuant to and in accordance with Paragraph 2 of the Loan Agreement (as hereinafter defined) in excess of such amount, or, if less, the aggregate unpaid principal amount of all advances made by LaSalle to the Undersigned pursuant to and in accordance with Paragraph 2 of the Loan Agreement. The outstanding principal balance shall be payable in accordance with the terms and conditions in the Loan Agreement. The Undersigned further promises to pay interest on the outstanding principal amount hereof on the dates and at the rates provided in the Loan Agreement from the date hereof until payment in full hereof.

This Revolving Note is referred to in and was delivered pursuant to that certain Loan and Security Agreement, as it may be amended from time to time, together with all exhibits and schedules thereto, dated the date hereof, among LaSalle, as collateral agent and a lender, LaSalle National Bank, as administrative agent ("Administrative Agent") and a lender, the lender from time to time party thereto ("Lenders") and the Undersigned (the "Loan Agreement"). All terms which are capitalized and used herein (which are not otherwise defined herein) shall have the meanings ascribed to such terms in the Loan Agreement.

The Undersigned hereby authorizes LaSalle and Administrative Agent to charge any account of the Undersigned for all sums due hereunder. If payment hereunder becomes due and payable on a Saturday, Sunday or legal holiday under the laws of the United States or the State of Illinois, the due date thereof shall be extended to the next succeeding business day, and interest shall be payable thereon at the rate specified during such extension. Credit shall be given for payments made in the manner and at the times provided in the Loan Agreement. It is the intent of the parties that the rate of interest and other charges to the Undersigned under this Revolving Note shall be lawful and shall be limited to the maximum nonusurious rate of interest permitted by law; therefore, if for any reason the interest or other charges payable hereunder are found by a court of competent jurisdiction, in a final determination, to exceed the limit which LaSalle may lawfully charge the Undersigned, then the obligation to pay interest or other charges shall automatically be reduced to such limit and, if any amount in excess of such limit shall have been paid, then such amount shall be refunded to the Undersigned.

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The principal and all accrued interest hereunder may be prepaid by the Undersigned, in part or in full, at any time.

The Undersigned waives the benefit of any law that would otherwise restrict or limit LaSalle or Administrative Agent in the exercise of its right, which is hereby acknowledged, to set-off against the Liabilities, without notice and at any time hereafter, any indebtedness matured or unmatured owing from LaSalle or Administrative Agent to the Undersigned. The Undersigned waives every defense, counterclaim or setoff which the Undersigned may now have or hereafter may have to any action by LaSalle, Administrative Agent or any other Lender in enforcing this Note and/or any of the Liabilities, or in enforcing LaSalle's, Administrative Agent's or any other Lenders' rights in the Collateral and ratifies and confirms whatever LaSalle, Administrative Agent or any other Lender may do pursuant to the terms hereof and of the Loan Agreement and with respect to the Collateral and agrees that none of LaSalle, Administrative Agent or any other Lender shall be liable for any error in judgment or mistakes of fact or law.

The Undersigned, any other party liable with respect to the Liabilities and any and all endorsers and accommodation parties, and each one of them, if more than one, waive any and all presentment, demand, notice of dishonor, protest, and all other notices and demands in connection with the enforcement of LaSalle's or Administrative Agent's rights hereunder.

The loan evidenced hereby has been made and this Note has been delivered at Chicago, Illinois. THIS NOTE SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT, AND IN ALL OTHER RESPECTS, INCLUDING, WITHOUT LIMITATION, THE LEGALITY OF THE INTEREST RATE AND OTHER CHARGES, and shall be binding upon the Undersigned and the Undersigned's heirs, legal representatives, successors and assigns. If this Note contains any blanks when executed by the Undersigned each of LaSalle and Administrative Agent is hereby authorized, without notice to the Undersigned, to complete any such blanks according to the terms upon which the loan or loans were granted. Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or be invalid under such law, such provisions shall be severable, and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Note. The term "Undersigned" as used herein shall mean all parties signing this Note, and each one of them, and all such parties, their respective heirs, executors, administrators, successors and assigns, shall be jointly and severally obligated hereunder.

To induce LaSalle to make the loan evidenced by this Note, the Undersigned (i) irrevocably agrees that, subject to LaSalle's sole and absolute election, all actions arising directly or indirectly as a result or in consequence of this Note or any other

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agreement with LaSalle, Administrative Agent or any other Lender, or the Collateral, shall be instituted and litigated only in courts having situs in the City of Chicago, Illinois, (ii) hereby consents to the exclusive jurisdiction and venue of any State or Federal Court located and having its situs in said city, and (iii) waives any objection based on forum non-conveniens. IN ADDITION, THE UNDERSIGNED HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDINGS WHICH PERTAINS DIRECTLY OR INDIRECTLY TO THIS NOTE, THE LIABILITIES, THE COLLATERAL, ANY ALLEGED TORTIOUS CONDUCT BY THE UNDERSIGNED OR LASALLE OR WHICH IN ANY WAY, DIRECTLY OR INDIRECTLY, ARISES OUT OF OR RELATED TO THE RELATIONSHIP BETWEEN THE UNDERSIGNED AND LASALLE, waives personal service of any and all process, and consents that all such service or process may be made by certified mail, return receipt requested, directed to the Undersigned either at the office of the Illinois Secretary of State, as provided in the Loan Agreement, or at the address indicated in LaSalle's records; and service so made shall be complete five (5) days after the same has been deposited in the U.S. mails as aforesaid.

As used herein, all provisions shall include the masculine, feminine, neuter, singular and plural thereof, wherever the context and facts require such construction and in particular the word "Undersigned" shall be so construed.

IN WITNESS WHEREOF, the Undersigned has executed this Note on the date above set forth.

COBRA ELECTRONICS
CORPORATION

By: _____

Title: _____

98097366

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ACKNOWLEDGMENT OF SIGNATURE

STATE OF)
) SS.
COUNTY OF)

I, _____, a Notary Public in and for the state and county aforesaid, do hereby certify that before me this day personally appeared _____, the _____ of Cobra Electronics Corporation, known to me to be the same person whose name is subscribed to the foregoing Revolving Note, and acknowledged to me that [he/she] executed and delivered the foregoing Revolving Note as [his/her] free and voluntary act, for the uses set forth herein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of February, 1998.

Notary Public

My Commission Expires

98097366

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REVOLVING NOTE

Executed as of the ___ day of
February, 1998 at Chicago, Illinois

Amount \$17,500,000

FOR VALUE RECEIVED, the Undersigned promises to pay to the order of **LASALLE NATIONAL BANK** (hereinafter, together with any holder hereof, called "LNB"), at the main office of LNB, 135 South LaSalle Street, Chicago, Illinois 60603, the principal sum of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) plus the aggregate unpaid principal amount of all advances made by LNB to the Undersigned pursuant to and in accordance with Paragraph 2 of the Loan Agreement (as hereinafter defined) in excess of such amount, or, if less, the aggregate unpaid principal amount of all advances made by LNB to the Undersigned pursuant to and in accordance with Paragraph 2 of the Loan Agreement. The outstanding principal balance shall be payable in accordance with the terms and conditions in the Loan Agreement. The Undersigned further promises to pay interest on the outstanding principal amount hereof on the dates and at the rates provided in the Loan Agreement from the date hereof until payment in full hereof.

This Revolving Note is referred to in and was delivered pursuant to that certain Loan and Security Agreement, as it may be amended from time to time, together with all exhibits and schedules thereto, dated the date hereof, among LNB, as administrative agent and a Lender, LaSalle Business Credit, Inc., as collateral agent ("Collateral Agent") and a Lender, the lenders from time to time party thereto ("Lenders") and the Undersigned (the "Loan Agreement"). All terms which are capitalized and used herein (which are not otherwise defined herein) shall have the meanings ascribed to such terms in the Loan Agreement.

The Undersigned hereby authorizes Collateral Agent and LNB to charge any account of the Undersigned for all sums due hereunder. If payment hereunder becomes due and payable on a Saturday, Sunday or legal holiday under the laws of the United States or the State of Illinois, the due date thereof shall be extended to the next succeeding business day, and interest shall be payable thereon at the rate specified during such extension. Credit shall be given for payments made in the manner and at the times provided in the Loan Agreement. It is the intent of the parties that the rate of interest and other charges to the Undersigned under this Revolving Note shall be lawful and shall be limited to the maximum nonusurious rate of interest permitted by law; therefore, if for any reason the interest or other charges payable hereunder are found by a court of competent jurisdiction, in a final determination, to exceed the limit which LNB may lawfully charge the Undersigned, then the obligation to pay interest or other charges shall automatically be reduced to such limit and, if any amount in excess of such limit shall have been paid, then such amount shall be refunded to the Undersigned.

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The principal and all accrued interest hereunder may be prepaid by the Undersigned, in part or in full, at any time.

The Undersigned waives the benefit of any law that would otherwise restrict or limit Collateral Agent or LNB in the exercise of its right, which is hereby acknowledged, to set-off against the Liabilities, without notice and at any time hereafter, any indebtedness matured or unmatured owing from Collateral Agent or LNB to the Undersigned. The Undersigned waives every defense, counterclaim or setoff which the Undersigned may now have or hereafter may have to any action by Collateral Agent, LNB or any other Lender in enforcing this Note and/or any of the Liabilities, or in enforcing LNB's, Collateral Agent's or any other Lenders' rights in the Collateral and ratifies and confirms whatever Collateral Agent, LNB or any other Lender may do pursuant to the terms hereof and of the Loan Agreement and with respect to the Collateral and agrees that none of LNB, Collateral Agent or any other Lender shall be liable for any error in judgment or mistakes of fact or law.

The Undersigned, any other party liable with respect to the Liabilities and any and all endorsers and accommodation parties, and each one of them, if more than one, waive any and all presentment, demand, notice of dishonor, protest, and all other notices and demands in connection with the enforcement of Collateral Agent's or LNB's rights hereunder.

The loan evidenced hereby has been made and this Note has been delivered at Chicago, Illinois. THIS NOTE SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT, AND IN ALL OTHER RESPECTS, INCLUDING, WITHOUT LIMITATION, THE LEGALITY OF THE INTEREST RATE AND OTHER CHARGES, and shall be binding upon the Undersigned and the Undersigned's heirs, legal representatives, successors and assigns. If this Note contains any blanks when executed by the Undersigned, each of Collateral Agent and LNB is hereby authorized, without notice to the Undersigned, to complete any such blanks according to the terms upon which the loan or loans were granted. Wherever possible, each provision of this Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by or be invalid under such law, such provisions shall be severable, and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Note. The term "Undersigned" as used herein shall mean all parties signing this Note, and each one of them, and all such parties, their respective heirs, executors, administrators, successors and assigns, shall be jointly and severally obligated hereunder.

To induce LNB to make the loan evidenced by this Note, the Undersigned (i) irrevocably agrees that, subject to Collateral Agent's sole and absolute election, all actions arising directly or indirectly as a result or in consequence of this Note or any other agreement with LNB, Collateral Agent, Administrative Agent or any other Lender, or the

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Collateral, shall be instituted and litigated only in courts having situs in the City of Chicago, Illinois, (ii) hereby consents to the exclusive jurisdiction and venue of any State or Federal Court located and having its situs in said city, and (iii) waives any objection based on forum non-conveniens. IN ADDITION, THE UNDERSIGNED HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDINGS WHICH PERTAINS DIRECTLY OR INDIRECTLY TO THIS NOTE, THE LIABILITIES, THE COLLATERAL, ANY ALLEGED TORTIOUS CONDUCT BY THE UNDERSIGNED OR LNB OR WHICH IN ANY WAY, DIRECTLY OR INDIRECTLY, ARISES OUT OF OR RELATED TO THE RELATIONSHIP BETWEEN THE UNDERSIGNED AND LNB, waives personal service of any and all process, and consents that all such service or process may be made by certified mail, return receipt requested, directed to the Undersigned either at the office of the Illinois Secretary of State, as provided in the Loan Agreement, or at the address indicated in Collateral Agent's records; and service so made shall be complete five (5) days after the same has been deposited in the U.S. mails as aforesaid.

As used herein, all provisions shall include the masculine, feminine, neuter, singular and plural thereof, wherever the context and facts require such construction and in particular the word "Undersigned" shall be so construed.

IN WITNESS WHEREOF, the Undersigned has executed this Note on the date above set forth.

**COBRA ELECTRONICS
CORPORATION**

By: _____

Title: _____

98097365

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ACKNOWLEDGMENT OF SIGNATURE

STATE OF)
) SS.
COUNTY OF)

I, _____, a Notary Public in and for the state and county aforesaid, do hereby certify that before me this day personally appeared _____, the _____ of Cobra Electronics Corporation, known to me to be the same person whose name is subscribed to the foregoing Revolving Note, and acknowledged to me that [he/she] executed and delivered the foregoing Revolving Note as [his/her] free and voluntary act for the uses set forth herein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this _____ day of February, 1998.

Notary Public

My Commission Expires

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EXHIBIT B

LEGAL DESCRIPTION

PARCEL 1:

THOSE PARTS OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 AND OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE WEST LINE OF SAID SOUTHEAST 1/4 OF THE NORTHEAST 1/4 WHICH IS 800.10 FEET NORTH OF THE POINT OF INTERSECTION OF THE WEST LINE OF SAID NORTHEAST 1/4 OF THE SOUTHEAST 1/4 WITH THE SOUTH LINE EXTENDED WEST OF BLOCK 10 OF A. GALES' SUBDIVISION IN THE SOUTHEAST 1/4 OF SAID SECTION 31; THENCE SOUTHEASTERLY ON AN ARC CONVEX TO THE NORTHEAST AND HAVING A RADIUS OF 769.02 FEET A DISTANCE OF 190.48 FEET TO A POINT; THE TANGENT OF SAID ARC AT ITS POINT OF BEGINNING MAKES AN ANGLE WITH THE WEST LINE OF SAID SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF 86 DEGREES 13 MINUTES IN THE SOUTHEAST QUADRANT SAID POINT BEING THE POINT OF BEGINNING OF THE FOLLOWING DESCRIBED TRACT OF LAND TO WIT:

THENCE SOUTHERLY ON A LINE WHICH FORMS AN ANGLE OF 114 DEGREES 58 MINUTES 05 SECONDS WITH THE CHORD WHICH SUBTENDS THE LAST DESCRIBED CURVED LINE FOR A DISTANCE OF 44.74 FEET TO A POINT OF CURVE; THENCE SOUTHERLY ON A CURVED LINE TANGENT TO SAID LAST DESCRIBED STRAIGHT LINE CONVEX TO THE EAST AND HAVING A RADIUS OF 348.55 FEET, A DISTANCE OF 85.78 FEET TO A POINT OF TANGENCY IN A LINE WHICH IS 208 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID NORTHEAST 1/4 OF THE SOUTHEAST 1/4; THENCE SOUTH ON SAID PARALLEL LINE 236.20 FEET TO A POINT IN A LINE WHICH IS 401.50 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF BLOCK 10; THENCE WEST ON SAID LAST DESCRIBED PARALLEL LINE A DISTANCE OF 168 FEET TO A POINT IN THE EAST LINE OF NASHVILLE AVENUE; THENCE SOUTH ON SAID EAST LINE OF NASHVILLE AVENUE A DISTANCE OF 401.50 FEET TO THE SOUTHWEST CORNER OF BLOCK 10 AFORESAID; THENCE EAST ON THE SOUTH LINE OF SAID BLOCK 10 AND SAID LINE EXTENDED FOR A DISTANCE OF 388 FEET TO A POINT; SAID SOUTH LINE OF BLOCK 10 IS IDENTICAL WITH THE NORTH LINE OF WEST CORTLAND STREET; THENCE NORTH ON A LINE WHICH IS 388 FEET EAST OF AND PARALLEL WITH THE SAID EAST LINE OF NASHVILLE AVENUE FOR A DISTANCE OF 548.46 FEET TO THE POINT OF INTERSECTION OF SAID LAST DESCRIBED LINE WITH A CURVED LINE CONVEX TO THE SOUTHWEST AND HAVING A RADIUS OF 1,322.57 FEET; THENCE WESTERLY ALONG SAID CURVED LINE A DISTANCE OF 88.06 FEET TO A POINT OF REVERSE CURVE; THENCE NORTHWESTERLY ON A CURVED LINE TANGENT TO THE LAST DESCRIBED CURVED LINE CONVEX TO THE NORTHEAST AND HAVING A RADIUS OF 765.02 FEET A DISTANCE OF 182.02 FEET TO THE POINT OF BEGINNING (SAID LAST DESCRIBED CURVE HAS THE SAME CENTER AS THE CURVE FIRST ABOVE DESCRIBED), ALL IN COOK COUNTY, ILLINOIS.

PARCEL 2:

PERPETUAL EASEMENT IN FAVOR OF PARCEL 1, AS CREATED BY RESERVATION IN SPECIAL WARRANTY DEED WITH A RESERVATION OF EASEMENT MADE BY COBRA ELECTRONICS CORPORATION AND BELMOR AUTOTRON CORP., RECORDED OCTOBER 6, 1997 AS DOCUMENT 97739846; FOR VEHICULAR AND PEDESTRIAN ACCESS TO, AND INGRESS AND EGRESS FROM PARCEL 1, AS DEFINED THEREIN, OVER THE PROPERTY DESCRIBED THEREIN ON EXHIBIT C.

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Chicago, IL

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