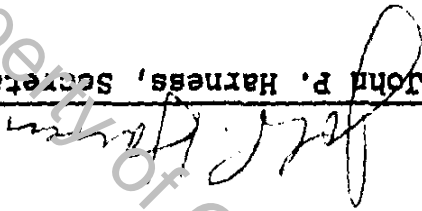


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John P. Harness, Secretary



Secretary of the Company this 6th day of February, 1991.
IN WITNESS WHEREOF, I have hereunto set my hand as Assistant

resolutions.
upon which a mortgage may be granted as authorized by such
attached legal description describes the company's real property
granting of a mortgage on the company's real property; and that the
are in full force and effect; that such resolutions authorize the
such resolutions have not been annulled or amended in any manner and
12, 1990, at which a quorum was present and acting throughout; that
of Directors of the company at a meeting of said Board on December
is a true and correct copy of the resolutions adopted by the Board
custodian of the company's records and seal; that attached hereto
Desoto, Inc., a Delaware corporation (the "company") and as such the
I, JOHN P. HARNESS, hereby certify that I am the Secretary of

CERTIFICATE



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FURTHER RESOLVED, that the Chairman of the Board, the President, the Vice President-Finance and the Treasurer of the company be and each of them hereby is authorized, empowered and directed for, and on behalf of the company in his discretion from time to time to borrow all or any

NOW, THEREFORE, BE IT RESOLVED, that the Chairman of the Board, the President, the Vice President-Finance and the Treasurer of the company, empowered and directed, for and on behalf of the company, acting with the advice of counsel, to negotiate, execute and deliver a definitive loan agreement substantially upon the terms of the proposed loan agreement described in Exhibit A attached hereto (with such changes or additional terms thereto as the officer executing and delivering the definitive loan agreement may deem necessary or appropriate, such determination to be conclusively evidenced by the execution and delivery thereof) and all documents and instruments relating thereto, including, without limitation, any notes, mortgages, security agreements and financing statements contemplated in the definitive loan agreement and to do such other acts and things as such officers may deem necessary or appropriate, including, without limitation, the granting of a mortgage on the company's real property, inventory, receivables, equipment and other personal property.

WHEREAS, in the judgment of this Board it is advisable and in the best interests of the company and its stockholders that the officers of the company be authorized to negotiate, execute and deliver a definitive loan agreement and all documents and instruments relating thereto.

WHEREAS, in order to provide a facility for such financing, the officers of the company have negotiated with Harris Trust and Savings Bank ("Harris") a proposed loan agreement pursuant to which Harris has committed to finance \$8,000,000 and to use its best efforts to arrange financing with as many as two additional institutions to finance a credit facility in an aggregate principal amount of up to \$15,000,000 which are to be secured by a lien on the company's assets and properties; and

WHEREAS, the company is duly authorized to borrow money for its corporate purposes and to issue its notes and other obligations for the amounts so borrowed and the company may require such financing; and

APPROVAL OF CREDIT AGREEMENT

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part of the credit provided for in the definitive loan agreement as so executed and from time to time to select the interest rate options to be applicable to such borrowings.

FURTHER RESOLVED, that the officers, agents and employees of the company be and they are hereby authorized and empowered to do and perform such other acts and things, and to make, execute and deliver all such other documents and instruments, for and on behalf of the company, as may be necessary or by them deemed appropriate, acting with advice of counsel, to comply with or to evidence compliance with, the terms, conditions or provisions of the definitive loan agreement and collateral documents, and all acts and things whether heretofore or hereafter done or performed by any of the officers of the company which are in conformity with the intents and purposes of these resolutions, shall be and the same are hereby, in all respects, ratified, confirmed and approved.

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The facility will be used for general corporate purposes in the financing of the continuing detergent business of Desoto, Inc. subsequent to the sale of other Desoto

Purpose:

All letters of credit will be issued by Harris with the participating banks taking a pro-rata risk participation in Harris' letters of credit.

Desoto may utilize up to \$3,000,000 of the revolver for the issuance of stand-by letters of credit. The dollar amount of letters of credit issued and outstanding shall reduce dollar for dollar the availability under the revolver. Their maturities shall not extend beyond the term of the agreement.

Letters of Credit:

\$15,000,000 secured 2-year revolving term credit.

Facility:

It is the intention of the agent to work on a "best efforts" basis with Desoto's management to arrange the balance of the financing with as many as two additional institutions acceptable to the bank and the company. As the agent is acting on a best efforts basis, no assurances can be given as to the availability of financing beyond the amount committed by the agent.

As agent, The Harris Trust & Savings Bank has committed to \$8,000,000 of the financing which is the subject of this term sheet.

Harris Trust and Savings Bank ("Harris")

Agent:

Desoto, Inc. ("Desoto")

Borrower:

Desoto, Inc.
Term Sheet
(a/o 11-29-90)



1/2 of 1% per annum on the average unused portion of the facility, payable quarterly in arrears.

Commitment Fees:

1/2 of 1% of commitment, payable at closing.

Closing Fee:

3) Reserve and FDIC Insurance adjusted CD's plus 3/4% (Available for borrowing periods of 1, 2, 3 or 6 months).

2) Reserve adjusted LIBOR plus 1/2%. Available for borrowing periods of 30, 60, 90 or 180 days).

Fed Funds rate plus .50%.
Base Rate is defined as the higher of the Harris Prime Rate, as announced from time to time, or the overnight

1) Harris Base Rate plus 1/2 of 1%.

At the borrower's option.

Interest Rate:

The borrower may request one year extensions 60 days prior to each anniversary date resulting in an ongoing 2 year facility (unless such extensions are not approved by the banks. In no event however shall the facility be extended beyond the fifth anniversary of the agreement.

Evergreen Nature:

Two years from the closing of the agreement.

Term:

On or before January 15, 1991.

Closing:

The letter of credit authorization provides support for up to \$2 million of congent Desoto liabilities arising with respect to potential environmental claims as set forth in a certain agreement, and various amendments to such agreement, between Courtaids PLC and Desoto. In addition to this use, the letter of credit submit will support other corporate requirements arising from time to time.

businesses contemplated by its Plan of Disposition as stated in its proxy statement dated September 21, 1990.

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The facility will be collateralized by a first security interest in all accounts receivable, inventories, machinery and equipment, patents, trademarks, and other intangible assets of the company.

Collateral:

2) LIBOR and CD: \$5,000,000

1) Prime: \$500,000

Minimum Borrowing Amounts:

3) CD: By 10:00 A.M. CST one (1) day prior to borrowing.

2) LIBOR: By 10:00 A.M. CST three (3) days prior to borrowing.

1) Prime: Same day funding if notified by 12:00 P.M. CST.

Required Notice:

2) LIBOR and CD: At the end of each interest period for maturities of 3 months or less. Quarterly and at maturity for maturities of over 3 months.

1) Prime: On each 12/31, 3/31, 6/30, and 9/30.

Interest Payable:

1) Prime: Quarterly.
2) LIBOR: 1, 2, 3, or 6 months.
3) CD: 30, 60, 90, or 180 days.

Interest Periods:

In addition to its one time fee, the agent will receive an annual fee of \$25,000 per annum, payable at closing and at each anniversary thereafter.

The agent will receive a one-time fee aggregating 1/2 of 1% of its commitment, payable upon acceptance of such commitment by the company. The agent's one-time fee will offset amounts due it as represented by the Closing Fee.

Agents Fee:

Letter of Credit Fee: 1.0% per annum.

In addition, the banks will be secured by a first mortgage on the borrower's DesPlaines, Illinois headquarters building and real estate. The banks will not take a security interest in other real property owned by the company.

The mortgage on the DesPlaines facility will be released at such time that the committed amount of the facility is reduced to \$10,000,000 and borrowing base advances against real estate, machinery and equipment (see below) are eliminated.

Borrowing Base:

Availability under the facility will be determined by a borrowing base calculated with respect to accounts receivable, inventories, property, plant and equipment. The following advance formulas (subject to audit) will be applied:

- 1) Accounts Receivable: Advance 80% against eligible accounts receivable. Ineligible receivables will be defined subsequent to the banks collateral audit.

- 2) Inventory: Advance 50% against the FIFO value of a) raw materials and b) finished goods inventory produced for specific purchase orders or releases. WIP inventory, packaging, etc. will be ineligible for advance.

Inventory advances will be capped at \$2,500,000.

- 3) Real Estate, Machinery and Equipment: Subject to appraisals, availability against fixed assets will be limited to \$5,000,000 through the earlier of the first anniversary of closing or the sale of the company's DesPlaines building and real property. No availability against fixed assets is committed subsequent to the first anniversary of closing.

Conditions Precedent:

Standard for facilities of this type, including but not limited to:

- 1) Opinions of counsel satisfactory to the banks.

- 2) Execution of documents required in connection with the facility.

schedules:

2) Maximum Debt / Tangible Net Worth per the following

Tangible Net Worth will be defined as GAAP net worth minus goodwill and other intangible assets, minus outstanding under special purpose letters of credit.

Closing through 12-30-91	\$25,000,000
12-31-91 through 12-30-92	\$25,250,000
12-31-92 through 12-30-93	\$25,500,000
12-31-93 through 12-30-94	\$27,000,000
12-31-94 through 12-30-95	\$29,200,000

schedule:

1) Minimum Tangible Net Worth per the following

Specific levels to be negotiated. We would anticipate covenants including but not limited to the following:

Terms and Conditions:

Representations and Warranties:

Standard for factures of this type.

8) Other conditions precedent as required by the banks.

7) Receipt of ALTA survey and title insurance with endorsements as required by the banks, all in form and amounts acceptable to the banks.

6) Receipt of fixed assets and real estate appraisals acceptable to the banks.

5) Satisfactory completion of a collateral audit as typically required in a financing of this type.

4) Receipt of EPA Phase I audits and such additional information as prudently required by the results of those audit, including any remedial action plans designed to address EPA issues identified prior to closing. Audits will be performed at each surviving Desoto location.

3) Completion of the Plan of Disposition including the sale of all businesses and debt reductions set forth in the proxy statement dated September 20, 1990.

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Cumulative dividends not to exceed the sum of \$1,650,000 plus 50% of cumulative net income from the date of closing forward. In no event however shall dividends paid exceed net income.

6) Limitation on Dividends and other Restricted Payments.

Capital expenditures permitted but not expended in a given fiscal year may be carried forward in an amount not to exceed \$500,000, for use in the immediately following fiscal year.

5) Maximum Annual Capital Expenditures of \$1,500,000.

Interest Expense + Current Maturities of Long Term Debt + 1/5 of L/T Senior Revolving Outstandings + Operating Lease Expense.

EBITD + Operating Lease Expense

Fixed Charge Coverage will be defined as:

1.50:1.00	Closing through 6-29-91
1.75:1.00	6-30-91 through 12-30-91
2.25:1.00	12-31-91 through 12-30-92
2.50:1.00	12-31-92 and thereafter

4) Minimum Fixed Charge Coverage per the following schedule:

The Current Ratio will be defined as GAAP Current Assets divided by GAAP Current Liabilities.

3) Minimum Current Ratio of: 1.50:1.00

Debt / Tangible Net Worth will be defined as total liabilities and letters of credit divided by Tangible Net Worth as defined above.

1.00:1.00	Closing through 12-30-91
.85:1.00	12-31-91 through 12-30-93
.75:1.00	12-31-93 and thereafter

A one-time special dividend, arising from the company's intended pension reversion, will be permitted so long as no event of default or potential event of default is evident as of the date of the dividend. The amount of the special dividend shall not exceed the net proceeds of the pension reversion.

7) Prohibition of Additional Funded Indebtedness.

8) Prohibition of significant mergers and acquisitions, sale of significant divisions, subsidiaries, assets, etc. without the prior written consent of the banks.

Given the consummation of the company's intended sale of its DesPlaines, Illinois headquarters, its proceeds, net of taxes and a \$2,000,000 EPA related escrow, will be applied dollar for dollar to reduce the ~~and the committed~~ amount of this facility. Such reduction however will not reduce the facility below an aggregate of \$10,000,000.

9) Prohibition of significant change in ownership.

10) Cross default with any and all other agreements.

11) Other Terms and Conditions as may be customary and Necessary.

Reporting:

1) Unqualified Fiscal Audit, prepared by an accounting firm acceptable to the banks, to be delivered to the banks within 90-days of fiscal year end.

2) Unaudited quarterly Financial Reports, prepared by the company and including but not limited to balance sheet, profit & loss, statement of changes in financial condition and the reconciliation of significant equity accounts, to be delivered within 45-days of the end of each fiscal quarter.

Its: Vice President
By: William J. Kennedy, Jr.
Desoto, Inc.

Accepted and Agreed this 29th day of November, 1990
Accepted and Agreed this 29th day of November, 1990
Desoto, Inc. Desoto, Inc.

Its: Vice President

By: William J. Kennedy, Jr.

Harris Trust and Savings Bank

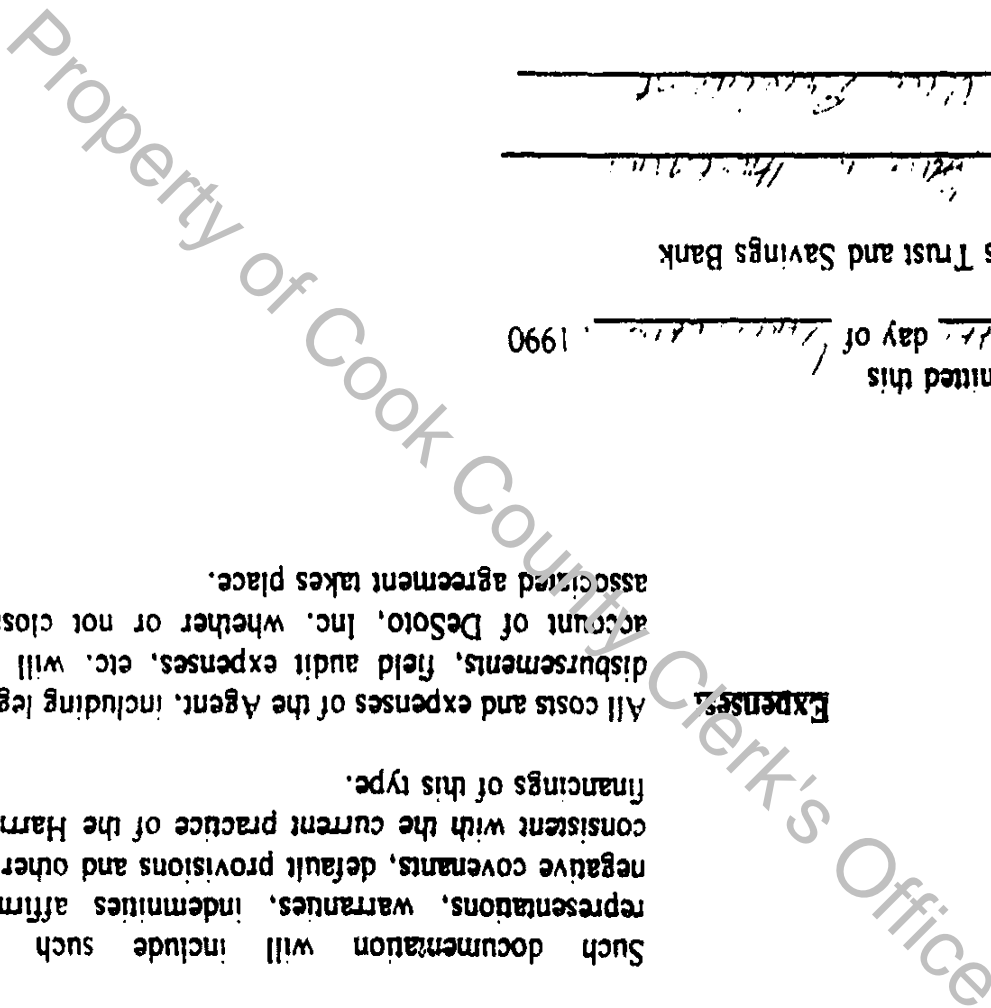
Committed this 29th day of November, 1990

Expenses: All costs and expenses of the Agent, including legal fees and disbursements, field audit expenses, etc. will be for the account of Desoto, Inc. whether or not closing of the associated agreement takes place.

Such documentation will include such conditions, representations, warranties, indemnities affirmative and negative covenants, default provisions and other provisions consistent with the current practice of the Harris Bank for financings of this type.

Legal: Documentation will be prepared by Chapman and Cutler, acting as counsel for the Harris Bank, as agent.

3) Certificate of Compliance and Borrowing Base, signed by the senior financial officer of the company, affirming no matured or unmatured event of default, to be delivered concurrent with the delivery of financial statements as designated above.



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THE EAST 832.0 FEET OF THE NORTH 600 FEET OF THE SOUTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT FROM SAID TRACT HARRY WILIE'S SUBDIVISION OF THE WEST 400 FEET OF THE EAST 832 FEET OF THE NORTH 200 FEET OF SAID SECTION) ALL IN COOK COUNTY, ILLINOIS, EXCEPT THEREFROM THAT PART TAKEN FOR ROAD BY DEED REGISTERED AS DOCUMENT NUMBER 3408383.

PARCEL 3:

THE NORTH 200 FEET OF THE EAST 183 FEET, AS MEASURED ALONG THE EAST AND NORTH LINES RESPECTIVELY, OF THE NORTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS (EXCEPTING THEREFROM, THAT PART OF THE NORTH 200 FEET, AS MEASURED ON THE EAST LINE OF THE NORTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF A LINE 50 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID SECTION.)

PARCEL 2:

THE NORTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 25 (EXCEPT THE WEST 451.72 FEET THEREOF AND EXCEPTING THAT PORTION TAKEN FOR MT. PROSPECT ROAD AND ALSO EXCEPTING THE NORTH 200.0 FEET OF THE EAST 183.0 FEET AS MEASURED ALONG THE EAST AND NORTH LINES RESPECTIVELY) ALL IN TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 1:

1700 S. Mt. Prospect Road
Des Plaines, Illinois 60017

DESOTO, INC.
ADMINISTRATIVE AND RESEARCH CENTER

LEGAL DESCRIPTION

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Debra S. Clark
Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603

This Instrument Prepared by
and After Recording Return to:

WHEREAS, (i) the Revolving Credit is evidenced and to be evidenced by Revolving Credit notes (the "Revolving Credit Notes") aggregating \$15,000,000 and payable to the order of the respective Lenders named thereon, whereby Mortgagor promises to pay the principal sum set forth thereon on February 6, 1993 with interest as set forth in the Credit Agreement and (ii) the

WHEREAS, Mortgagor has entered into with Harris (individually and as agent for the Lenders (as defined below)) and the Lenders that certain U.S. \$15,000,000 Credit Agreement bearing even date herewith (such Credit Agreement as the same may from time to time be modified or amended being hereinafter referred to as the "Credit Agreement") pursuant to which Harris and the Lenders named therein and which thereafter become parties thereto (Harris and such other Lenders being hereinafter referred to collectively as the "Lenders" and individually as a "Lender") commit, subject to certain terms and conditions, to make a revolving credit in the aggregate principal amount of not to exceed \$15,000,000 at any one time outstanding available to the Mortgagor during the period ending on February 6, 1993 (the "Revolving Credit") which Revolving Credit is available to the Mortgagor in the form of loans or letters of credit (individually a "Letter of Credit" and collectively the "Letters of Credit") issued by Harris for the account of Mortgagor in an aggregate face amount not to exceed \$5,000,000 and with expiry dates no later than January 31, 1993, a true and correct copy of which Credit Agreement is on file at the offices of the Mortgagor; and

W I T N E S S E T H A T:

This Mortgage dated as of February 6, 1991 between Desoto, Inc., a Delaware corporation of 1700 South Mount Prospect Road, Box 5030, Des Plaines, Illinois 60017 (hereinafter referred to as "Mortgagor"), and Harris Trust and Savings Bank, an Illinois banking corporation with its principal place of business at 111 West Monroe Street, Chicago, Illinois 60690 ("Harris"), for itself and as agent hereunder for the Lenders hereinafter defined (Harris acting as such agent and any successor or successors to Harris in such capacity being hereinafter referred to as "Mortgagor");

MORTGAGE AND SECURITY AGREEMENT WITH
ASSIGNMENT OF RENTS

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6603152

2/7/91
Debra S. Clark on Case 1435897
3 Notes I.D.
72-55-516 D-1

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Letters of Credit are to be respectively issued upon and subject to the terms of applications and agreements for Letters of Credit to be executed by the Mortgagor (individually an "Application" and collectively the "Applications") (the Revolving Credit Notes and any and all notes issued in renewal thereof or in substitution or replacement therefor being hereinafter collectively referred to as the "Notes"); and

WHEREAS, the Mortgagee is under an obligation to issue the Letters of Credit, subject to all of the terms and conditions of the Credit Agreement; and

WHEREAS, notwithstanding anything to the contrary contained herein, the Letters of Credit (as defined herein) include that certain \$2,000,000 special purpose letter of credit (SPL 30995) heretofore issued by Harris Trust and Savings Bank for the account of the Mortgagor in favor of Valspar and the Applications (as defined herein) include that certain letter of credit application executed by the Mortgagor in connection therewith;

NOW, THEREFORE, to secure (i) the payment of the principal and premium, if any, of and interest on the Notes as and when the same becomes due and payable (whether by lapse of time, acceleration or otherwise), (ii) the reimbursement to Mortgagee of any amounts drawn under the Letters of Credit, (iii) the payment of any and all sums payable under or according to the provisions of the Credit Agreement or the Applications, (iv) the payment of all other indebtedness, obligations and liabilities which this Mortgage secures pursuant to any of its terms and (v) the observance and performance of all covenants and agreements contained herein or in the Notes or in the Credit Agreement or in the Applications or in any other instrument or document at any time evidencing or securing any of the foregoing or setting forth terms and conditions applicable thereto (all of such indebtedness, obligations and liabilities identified in (i), (ii), (iii), (iv) and (v) above being hereinafter collectively referred to as the "indebtedness hereby secured"), Mortgagor does hereby grant, bargain, sell, convey, mortgage, warrant, assign, and pledge unto Mortgagee, its successors and assigns, and grant to Mortgagee, its successors and assigns, a security interest in all and singular the properties, rights, interests and privileges described in Granting Clauses I, II, III, IV, V and VI below, all of the same being collectively referred to herein as the "Mortgaged Premises":

GRANTING CLAUSE I

That certain real estate lying and being in Des Plaines, County of Cook and State of Illinois more particularly described in Schedule I attached hereto and made a part hereof.

GRANTING CLAUSE II

All buildings and improvements of every kind and description heretofore or hereafter erected or placed on the property described in Granting Clause I and all materials intended for construction, reconstruction, alteration and repairs of the buildings and improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the said real estate, and all fixtures, machinery, apparatus, equipment, fittings and articles of personal property of every kind and nature whatsoever now or hereafter attached to or contained in or used or useful in connection with said real estate and the buildings and improvements now or hereafter located thereon and the operation, maintenance and protection thereof, including but not limited to all machinery, motors, fittings, radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, cooking, power and lighting apparatus and fixtures, all fire prevention and extinguishing equipment and apparatus, all cooling and ventilating apparatus and systems, all plumbing, incinerating, and sprinkler equipment and fixtures, all elevators and escalators, all communication and electronic monitoring equipment, all window and structural cleaning rigs and all other machinery and equipment of every nature and fixtures and appurtenances thereto and all items of furniture, appliances, draperies, carpets, other furnishing, equipment and personal property used or useful in the operation, maintenance and protection of the said real estate and the buildings and improvements now or hereafter located thereon and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said real estate, buildings or improvements in any manner, and all proceeds of any of the foregoing; it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Uniform Commercial Code for the purpose of creating hereby a security interest in said property, which is hereby granted by Mortgagee as debtor to Mortgagee as secured party, securing the indebtedness hereby secured. The addresses of Mortgagee (debtor) and Mortgagee (secured party) appear at the beginning hereof.

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All judgments, awards of damages, settlements, and other compensation heretofore or hereafter made resulting from condemnation proceedings or the taking of the property described in Granting Clause I or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including severance and consequential damage, and any award for change of grade of streets (collectively "condemnation awards").

GRANTING CLAUSE IV

All right, title and interest of Mortgagor now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, privileges, easements, licenses, franchises, appurtenances and royalties, mineral, oil, and water rights belonging or in any wise appertaining to the property described in the preceding Granting Clause I and the buildings and improvements now or hereafter located thereon and the revisions, rents, issues, revenues and profits thereof, including all interest of Mortgagor in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advanced rent or for security) under any and all leases or subleases and renewals thereof or, or under any contracts or options for the sale of all or any part of, said property (including during any period allowed by law for the redemption of said property after any foreclosure or other sale), together with the right, but not the obligation, to collect, receive and receipt for all such rents and other sums and apply them to the indebtedness hereby secured and to demand, sue for and recover the same when due or payable; provided that the assignments made hereby shall not impair or diminish the obligations of Mortgagor under the provisions of such leases or other agreements nor shall such obligations be imposed upon Mortgagee or any Lessor. By acceptance of this Mortgage, Mortgagee agrees, not as a limitation or condition hereof, but as a personal covenant enforceable only to Mortgagor that until an event of default (as hereinafter defined) shall occur giving Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive (but not more than 30 days in advance) and enjoy such rents.

GRANTING CLAUSE III

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1. Payment of the indebtedness. The indebtedness hereby secured will be promptly paid as and when the same becomes due.

follows:

Mortgagor hereby covenants and agrees with Mortgagee as

It is expressly understood and agreed that the indebtedness hereby secured will in no event exceed two hundred percent (200%) of (i) the total aggregate face amount of the Notes plus (ii) the total interest which may hereafter accrue under the Notes on such face amount plus (iii) any fees, costs or expenses which may be payable hereunder.

TO HAVE AND TO HOLD the Mortgaged Premises and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, warranted, pledged and assigned, and in which a security interest is granted, or intended so to be, unto Mortgagee, its successors and assigns, forever; provided, however, that this instrument is upon the express condition that if the principal of and interest on the Notes shall be paid in full, all other indebtedness hereby secured shall be fully paid and performed (including all sums payable under or according to the provisions of the Applications), all letters of Credit issued pursuant to the Applications shall have expired and any commitment contained in the Credit Agreement to advance funds shall have terminated, then this instrument and the estate and rights hereby granted shall cease, determine and be void and this instrument shall be released by Mortgagee upon the written request and at the expense of Mortgagor, otherwise to remain in full force and effect.

All rights in and to common areas and access roads on adjacent properties heretofore or hereafter granted to Mortgagor and any after-acquired title or reversion in and to the beds of any ways, roads, streets, avenues and alleys adjoining the property described in Granting Clause I or any part thereof.

GRANTING CLAUSE VI

All property and rights, if any, which are by the express provisions of this instrument required to be subjected to the lien hereof and any additional property and rights that may from time to time hereafter, by installation or writing of any kind, be subjected to the lien hereof by Mortgagor or by anyone in Mortgagor's behalf.

GRANTING CLAUSE V

SECRET

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6. Payment of Taxes on Indebtedness Hereby Secured, Mortgage or Interest of Mortgagee or any Lender. Mortgagee

the proceedings or requested by Mortgagee. shall have furnished such security, if any, as may be required in conducted in good faith and with due diligence and if Mortgagee Mortgagee premises or any part thereof to satisfy the same, prevent the collection thereof or the sale or forfeiture of the to Mortgagee, by appropriate proceedings which shall operate to full or partial payment shall be required by law, after notice claim need be paid if being contested (except to the extent any similar proceedings shall have been commenced, no such charge or that, unless and until foreclosure, distraint, sale or other Mortgagee official receipts evidencing such payments, except or any part thereof, and shall, upon written request, exhibit to might by law become a lien or charge upon the Mortgagee premises the Mortgagee premises or any part thereof and which, if unpaid, which may be levied, assessed, imposed or charged on or against, other charges of any kind whatsoever, ordinary or extraordinary, special assessments, water, drainage and sewer charges and all penalty attaches, all general taxes and all special taxes, Mortgagee shall pay before any

5. Payment of Taxes. Mortgagee shall pay before any this instrument. subject always to the observance and performance of the terms of full possession, enjoyment and control of the Mortgagee premises, hereunder, Mortgagee shall be suffered and permitted to remain in

4. Possession. While Mortgagee is not in default deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectively the purpose of this instrument and, without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected hereto or covered by the Granting Clauses hereof or intended so to be.

3. Further Assurances. Mortgagee will execute and all claims and demands whatsoever. Mortgagee premises subject to the Permitted Exceptions against and Mortgagee will warrant and forever defend the title to the Mortgagee for the uses and purposes set forth in this Mortgage; and authority to convey, transfer and mortgage the same to "Permitted Exceptions" and Mortgagee has good right, full power Mortgagee premises is held by Mortgagee (collectively, the materially impair the use thereof for the purposes for which the and other minor defects or irregularities in title which do not Credit Agreement and (ii) easements, rights of way, reservations under Section 7.10 (other than subsection (c) thereof) of the liens, charges and encumbrances whatever except (i) as permitted marketable title to the Mortgagee premises free and clear of all nants and warrants that it is lawfully seized of and has good and

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8. Insurance. Mortgagor will, at its expense, keep all buildings, improvements, equipment and other property now or hereafter constituting part of the mortgaged premises insured against loss or damage by fire, lightning, windstorm, explosion and such other risks as are usually included under extended coverage policies, or which are usually insured against by owners of like property, in amount sufficient to prevent mortgagor or Mortgagee from becoming a co-insurer of any partial loss under applicable policies and in any event not less than the then full

7. Recordation and Payment of Taxes and Expenses. Mortgagor will cause this Mortgage, all mortgages supplemental hereto and any financing statement or other notice of a security interest required by Mortgagee at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law for the recording and filing or for the rerecording and refiling of a mortgage, security interest, assignment or other lien or charge upon the mortgaged premises, or any part thereof, in order fully to preserve and protect the rights of Mortgagee hereunder and, without limiting the foregoing, Mortgagor will pay or reimburse Mortgagee for the payment of any and all taxes, fees or other charges incurred in connection with any such recordation or rerecording, including any documentary stamp tax or tax imposed upon the privilege of having this instrument or any instrument issued pursuant hereto recorded.

agrees that if any tax, assessment or imposition upon this Mortgage or the interest of Mortgagee or any Lender in the Applications or upon Mortgages or any Lender by reason of or as a holder of any of the foregoing (including, without limitation, corporate privilege, franchise and excise taxes, but excepting therefrom any income tax on interest payments on the principal portion of the indebtedness hereby secured imposed by the United States or any state or any comparable tax imposed by the United States or capital of Mortgagee or such Lender) is levied, assessed or charged, then, unless all such taxes are paid by Mortgagor to, for or on behalf of Mortgagee or any Lender as they become due and payable (which Mortgagor agrees to do upon demand of Mortgagee or any Lender, to the extent permitted by law), or Mortgagee or any Lender is reimbursed for any such sum advanced by Mortgagee or such Lender, all sums hereby secured shall become immediately due and payable, at the option of Mortgagee or such Lender upon 30 days' notice to Mortgagor, notwithstanding anything contained herein or in any law heretofore or hereafter enacted, including any provision thereof forbidding Mortgagor from making any such payment. Mortgagor agrees to exhibit to Mortgagee or any Lender, upon request, official receipts showing payment of all taxes and charges which Mortgagor is required to pay hereunder.

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(a) Notice. In case of any material damage to or destruction of the mortgaged premises or any part thereof, mortgagor shall promptly give written notice thereof to mortgagee, generally describing the nature and extent of such damage or destruction.

9. Damage to or Destruction of Mortgaged Premises.

Insurable value (actual replacement value without deduction for physical depreciation) thereof, as determined at the request of mortgagee and at mortgagor's expense by the insurer or insurers or by an expert approved by mortgagee, all under insurance (and, if mortgagee so requests, naming mortgagee and the lenders as additional insureds therein), such rights to be evidenced by the usual standard non-contributory form of mortgage clause to be attached to each policy. Mortgagor shall not carry separate insurance concurrent in kind or form and contributing in the event of loss, with any insurance required hereby. Mortgagor shall also obtain and maintain public liability, property damage and workmen's compensation insurance in each case in form and content satisfactory to mortgagee and in amounts as are customarily carried by owners of like property and approved by mortgagee. Mortgagor shall also obtain and maintain such other insurance with respect to the mortgaged premises in such amounts and against such insurable hazards as mortgagee from time to time may require, including without limitation, boiler and machinery, insurance, insurance against flood risks, host liquor liability, war risk insurance when and to the extent obtainable from the United States Government or any agency thereof, and insurance against loss of rent due to fire and risks now or hereafter embraced by so-called "extended coverage". All insurance required hereby shall be maintained with good and responsible insurance companies satisfactory to mortgagee and shall not provide for any deductible amount not approved in writing by mortgagee, shall provide that any losses shall be payable notwithstanding any act or negligence of mortgagor, shall provide that no cancellation thereof shall be effective until at least thirty days after receipt by mortgagor and mortgagee of written notice thereof, and shall be satisfactory to mortgagee in all other respects. Upon the execution of this mortgage and thereafter not less than 15 days prior to the expiration date of any policy delivered pursuant to this instrument, mortgagor will deliver to mortgagee an original certificate and certified copies of any policy or renewal policy, as the case may be, required by this instrument, bearing notations evidencing the payment of all premiums. In the event of foreclosure, mortgagor authorizes and empowers mortgagee to effect insurance upon the mortgaged premises in amounts aforesaid for a period covering the time of redemption from foreclosure sale provided by law, and if necessary therefor to cancel any or all existing insurance policies.

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(d) Application of Insurance Proceeds. Net insurance proceeds received by Mortgagee under the provisions of this Mortgage or any instruments supplemental hereto or thereto or under any policy or policies of insurance covering the Mortgaged Premises or any part thereof shall first be applied toward the payment of the amount owing on the indebtedness hereby secured in such order of application as Mortgagee may elect whether or not the same may then be due or be otherwise adequately secured (and Mortgagee is hereby irrevocably authorized and directed to make such an application); provided, however, that such proceeds shall be made available for the restoration of the portion of the Mortgaged Premises damaged or destroyed if written application for such use is made within 30 days of receipt of such proceeds and the following conditions are satisfied: (1) Mortgagee has in effect business interruption insurance covering the income to be lost during the restoration period as a result of the damage or destruction to the Mortgaged Premises or provides Mortgagee with other evidence satisfactory to it that Mortgagee has cash resources sufficient to pay its obligations during the restoration period; (2) the effect of the damage to or destruction of the Mortgaged

(c) Adjustment of Loss. Mortgagee hereby authorizes Mortgagee, at Mortgagee's option, to adjust and compromise any losses under any insurance afforded, but said adjustment and/or compromise shall be made by Mortgagee, subject to final approval of Mortgagee in the case of losses exceeding \$10,000.

(b) Restoration. In case of any damage to or destruction of the Mortgaged Premises or any part thereof, Mortgagee, whether or not Mortgagee has made available to Mortgagee (subject to the provisions of Section 9(d) hereof) insurance proceeds received by Mortgagee in connection with such damages or destruction, and whether or not the insurance proceeds received on account of such damage or destruction shall be sufficient for the purpose, at Mortgagee's expense, will promptly commence and complete (subject to unavoidable delays occasioned by strikes, lockouts, acts of God, inability to obtain labor or materials, governmental restrictions and similar causes beyond the reasonable control of Mortgagee) the restoration, replacement or rebuilding of the Mortgaged Premises as nearly as possible to its value, condition and character immediately prior to such damage or destruction.

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Premises giving rise to receipt of the insurance proceeds is not to terminate, or give a lessee the option to terminate any lease of all or any portion of the Mortgaged Premises; (iii) no event of default (as hereinafter defined), or event which, with the lapse of time, the giving of notice, or both, would constitute an event of default, shall have occurred or be continuing (and if such an event shall occur during restoration Mortgagee may, at its election, apply any insurance proceeds then remaining in its hands to the reduction of the indebtedness hereby secured); (iv) Mortgagee shall have submitted to Mortgagee plans and specifications for the restoration which shall be satisfactory to it and (v) Mortgagee shall submit to Mortgagee fixed price contracts with good and responsible contractors and materialmen covering all work and materials necessary to complete restoration and providing for a total completion price not in excess of the amount of insurance proceeds available for restoration, or, if a deficiency shall exist, Mortgagee shall have deposited the amount of such deficiency with Mortgagee. Any insurance proceeds to be released pursuant to the foregoing provisions may at the option of Mortgagee be disbursed from time to time as restoration progresses to pay for restoration work completed and in place and such disbursements may at Mortgagee's option be made directly to Mortgagee or to or through any contractor or materialman to whom payment is due or to or through a construction escrow to be maintained by a title insurer acceptable to Mortgagee. Mortgagee may impose such further conditions upon the release of insurance proceeds (including the receipt of title insurance) as are customarily imposed by prudent construction lenders to insure the completion of the restoration work free and clear of all liens or claims for lien. All title insurance charges and other costs and expenses paid to or for the account of Mortgagee in connection with the release of such insurance proceeds shall constitute so much additional indebtedness hereby secured to be payable upon demand with interest at the Default Rate. Mortgagee may deduct any such costs and expenses from insurance proceeds at any time standing in its hands. If Mortgagee fails to request that insurance proceeds be applied to the restoration of the improvements or if Mortgagee makes such a request but fails to complete restoration within a reasonable time, Mortgagee shall have the right, but not the duty, to restore or rebuild said Mortgaged Premises or any part thereof for or on behalf of Mortgagee in lieu of applying said proceeds to the indebtedness hereby secured and for such purpose may do all necessary acts, including using funds

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11. Construction, Repair, Waste, Etc. Mortgagor agrees that, unless no longer used or useful in the ordinary conduct of Mortgagor's business (provided that it will not materially deplete the value of the collateral to the Lenders), no building or other improvement on the Mortgaged Premises and constituting a part thereof shall be altered, removed or demolished (unless such alteration, removal or demolition does not adversely affect the value of the Mortgaged Premises or any significant part thereof) nor shall any fixtures or appliances on, in or about said buildings or improvements be severed, removed, sold or mortgaged, without the consent of Mortgagee and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered hereby (except those no longer used or useful in the ordinary conduct of Mortgagor's business), Mortgagor covenants that the same will be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from any security interest in or encumbrance thereon or reservation of title thereto; to permit, commit or suffer no waste, impairment or deterioration of the Mortgaged Premises or any part thereof; to

10. Eminent Domain. Mortgagor acknowledges that Condemnation Awards have been assigned to Mortgagee, which awards Mortgagee is hereby irrevocably authorized to collect and receive, and to give appropriate receipts and acquittances therefor, and at Mortgagee's option, to apply the same toward the payment of the amount owing on account of the indebtedness hereby secured in such order of application as Mortgagee may elect and whether or not the same may then be due and payable or otherwise adequately secured, and Mortgagee covenants and agrees that Mortgagor will give Mortgagee immediate notice of the actual or threatened commencement of any proceedings under condemnation or eminent domain affecting all or any part of the Mortgaged Premises including any easement therein or appurtenance thereof or severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor further covenants and agrees to make, execute and deliver to Mortgagee, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding.

deposited by Mortgagor as aforesaid and advancing additional funds for the purpose of restoration, all such additional funds to constitute part of the indebtedness hereby secured payable upon demand with interest at the Default Rate.

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13. Right of Mortgagee to Perform Mortgagee's Obligations, Etc. If Mortgagee shall fail to make any payment or perform any act required to be made or performed hereunder, Mortgagee, without waiting or releasing any obligation or default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Mortgagee, and may enter upon the Mortgaged Premises or any part thereof for such purpose and take all such action thereon as, in the opinion of Mortgagee, may be necessary or appropriate therefor. All sums so paid by Mortgagee or any Lender and all costs and expenses (including without limitation reasonable attorney's fees and expenses) so incurred, together with interest thereon from the date of payment or incurrence at the Default Rate, shall constitute so much additional

12. Liens and Encumbrances. Mortgagee will not, without the prior written consent of Mortgagee, directly or indirectly, create or suffer to be created or to remain and will discharge or promptly cause to be discharged any mortgage, lien, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to, the Mortgaged Premises or any part thereof, whether superior or subordinate to the lien hereof, except for (i) this instrument and (ii) Permitted Exceptions.

keep and maintain said Mortgaged Premises and every part thereof in reasonable working order and condition, giving due regard to the use to which such part of the Mortgaged Premises is put; to effect such repairs as Mortgagee may reasonably require and from time to time to make all needed and proper replacements and additions so that said buildings, fixtures, machinery and apertances will, at all times, be in reasonable working order and repair and condition, giving due regard to the use to which such part of the Mortgaged Premises is put, fit and proper for the respective purposes for which they were originally erected or installed; to comply in all material respects with all statutes, orders, requirements or decrees relating to the Mortgaged Premises by any Federal, State or Municipal authority; to observe and comply in all material respects with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Premises or which have been granted to or contracted for by Mortgagee in connection with any existing or presently contemplated use of the Mortgaged Premises or any part thereof and not to initiate or acquiesce in any changes to or terminations of any of the foregoing or of zoning classifications affecting the use to which the Mortgaged Premises or any part thereof may be put without the prior written consent of Mortgagee; and to make no material alterations in or improvements or additions to the Mortgaged Premises except as required by governmental authority or as permitted by Mortgagee.

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(b) Except as otherwise permitted by the Credit Agreement or Section 11 hereof, the Mortgaged Premises or any part thereof shall be sold, transferred, or conveyed, whether voluntarily or involuntarily, by

(a) Any event occurs or condition exists which is specified as an Event of Default in the Credit Agreement; or

18. Events of Default. Any one or more of the following shall constitute an event of default hereunder:

17. Subrogation. Mortgagor acknowledges and agrees that Mortgagor shall be subrogated to any lien discharged out of the proceeds of any drafts presented under any of the Letters of Credit, the proceeds of any loan evidenced by any of the Notes or out of any advance by Mortgagor hereunder, irrespective of whether or not any such lien may have been released of record.

16. Financial Reports. Mortgagor will furnish to the Mortgagor or any Lender such information and data with respect to the Mortgaged Premises as Mortgagor or such Lender may reasonably request.

15. Inspection by Mortgagor. Mortgagor, any Lender and their respective representatives shall have the right to inspect the Mortgaged Premises at all reasonable times, and access thereto shall be permitted for that purpose.

14. After-Acquired Property. Any and all property hereafter acquired which is of the kind or nature herein provided, or intended to be and become subject to the lien hereof, shall ipso facto, and without any further conveyance, assignment or act on the part of Mortgagor, become and be subject to the lien of this mortgage as fully and completely as though specifically described herein; but nevertheless Mortgagor shall from time to time, if requested by Mortgagor, execute and deliver any and all such further assurances, conveyances and assignments as Mortgagor may reasonably require for the purpose of expressly and specifically subjecting to the lien of this mortgage all such property.

13. After-Acquired Property. Any and all property hereafter acquired which is of the kind or nature herein provided, or intended to be and become subject to the lien hereof, shall ipso facto, and without any further conveyance, assignment or act on the part of Mortgagor, become and be subject to the lien of this mortgage as fully and completely as though specifically described herein; but nevertheless Mortgagor shall from time to time, if requested by Mortgagor, execute and deliver any and all such further assurances, conveyances and assignments as Mortgagor may reasonably require for the purpose of expressly and specifically subjecting to the lien of this mortgage all such property.

12. After-Acquired Property. Any and all property hereafter acquired which is of the kind or nature herein provided, or intended to be and become subject to the lien hereof, shall ipso facto, and without any further conveyance, assignment or act on the part of Mortgagor, become and be subject to the lien of this mortgage as fully and completely as though specifically described herein; but nevertheless Mortgagor shall from time to time, if requested by Mortgagor, execute and deliver any and all such further assurances, conveyances and assignments as Mortgagor may reasonably require for the purpose of expressly and specifically subjecting to the lien of this mortgage all such property.

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operation of law or otherwise, except for sales of
obsolete, worn out or unusable fixtures or personal
property which are concurrently replaced with similar
fixtures or personal property at least equal in quality
and condition to those sold and owned by Mortgagor free
of any lien, charge or encumbrance other than the lien
hereof; or

(c) Any indebtedness secured by a lien or charge
on the mortgaged premises or any part thereof (whether
permitted hereunder or otherwise) is not paid when due
(subject to any applicable grace period) or proceedings
are commenced to foreclose or otherwise realize upon
any such lien or charge or to have a receiver appointed
for the property subject thereto or to place the holder
of such indebtedness or its representative in
possession thereof; or

(d) The mortgaged premises is abandoned.

19. Remedies. When any event of default has happened
and is continuing (regardless of the pendency of any proceeding
which has or might have the effect of preventing Mortgagor from
complying with the terms of this instrument and regardless of the
adequacy of the security for the Applications and the Notes) and
in addition to such other rights as may be available under appli-
cable law, but subject at all times to any mandatory legal
requirements:

(a) Acceleration. Mortgagor may, by written
notice to Mortgagor, declare the Note and all unpaid
indebtedness hereby secured, including any interest
then accrued thereon, to be forthwith due and payable,
whereupon the same shall become and be forthwith due
and payable, without other notice or demand of any
kind.

(b) Uniform Commercial Code. Mortgagor shall,
with respect to any part of the mortgaged premises
constituting property of the type in respect of which
realization on a lien or security interest granted
therein is governed by the Uniform Commercial Code,
have all the rights, options and remedies of a secured
party under the Uniform Commercial Code of Illinois,
including without limitation, the right to the posses-
sion of any such property, or any part thereof, and the
right to enter without legal process any premises where
any such property may be found. Any requirement of
said Code for reasonable notification shall be met by
mailing written notice to Mortgagor at its address or
above set forth at least 10 days prior to the sale or
other event for which such notice is required. The

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(e) Taking Possession, Collecting Rents, Etc. Mortgagee may enter and take possession of the mortgaged premises or any part thereof and manage, operate, insure, repair and improve the same and take any action which, in mortgagee's judgment, is necessary or proper to conserve the value of the mortgaged premises. Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the mortgaged premises and used in the operation, rental or leasing thereof or any part thereof. Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues and profits of the

(d) Appointment of Receiver. Mortgagee shall, as a matter of right, without notice and without giving bond to mortgagee or anyone claiming by, under or through it, and without regard to the solvency or insolvency of mortgagee or the then value of the mortgaged premises, be entitled to have a receiver appointed of all or any part of the mortgaged premises and the rents, issues and profits thereof, with such power as the court making such appointment shall confer, and mortgagee hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the mortgaged premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove mortgagee or other persons and any and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise.

(c) Foreclosure. Mortgagee may proceed to protect and enforce the rights of mortgagee hereunder (1) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby, or by law, or (ii) by the foreclosure of this mortgage.

expenses of retaking, selling, and otherwise disposing of said property, including reasonable attorney's fees and legal expenses incurred in connection therewith, shall constitute so much additional indebtedness hereby secured and shall be payable upon demand with interest at the Default Rate.

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Mortgaged Premises or any part thereof (and for such purpose Mortgagor does hereby irrevocably constitute and appoint Mortgagee its true and lawful attorney-in-fact for it and in its name, place and stead to receive, collect and issue a receipt for all of the foregoing, Mortgagor irrevocably acknowledging that any payment made to Mortgagee hereunder shall be a good receipt and acquittance against Mortgagor to the extent so made) and to apply same to the reduction of the indebtedness hereby secured. The right to enter and take possession of the Mortgaged Premises and use any personal property therein, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expenses (including any receiver's fees, counsel fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be so much additional indebtedness hereby secured which Mortgagor promises to pay upon demand together with interest at the Default Rate. Mortgagee and the Lenders shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee. Without taking possession of the Mortgaged Premises, Mortgagee may, in the event the Mortgaged Premises becomes vacant or is abandoned, take such steps as it deems appropriate to protect and secure the Mortgaged Premises (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the Default Rate.

20. Waiver of Right to Redeem From Sale - Waiver of Appraisalment, Valuation, Etc. Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgaged Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Premises sold as an entirety. In the event of any sale made under or by virtue of this instrument, the whole of the Mortgaged Premises may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as the Mortgagee may determine. Mortgagee or any Lender shall have the right to become the purchaser at any sale

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made under or by virtue of this instrument and Mortgagee or any Lender so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by Mortgagee or such Lender with the amount payable to Mortgagee or such Lender out of the net proceeds of such sale. In the event of any such sale, the Notes, all sums payable under the Applications and the other indebtedness hereby secured, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. Mortgagor hereby waives any and all rights of redemption prior to or from sale under any order or decree of foreclosure pursuant to rights herein granted, on behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Mortgaged Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable law.

21. Costs and Expenses of Foreclosure. In any suit to foreclose the lien hereof there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee and any Lender for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographic charges, publication costs and costs (which may be estimated as the items to be expended after the entry of the decree) of procuring all such abstracts of title, title searches and examination, guarantee policies, Torrens certificates and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute any foreclosure action or to evidence to the bidder at any sale pursuant thereto the true condition of the title to or the value of the Mortgaged Premises, all of which expenditures shall become so much additional indebtedness hereby secured which Mortgagor agrees to pay and all of such shall be immediately due and payable with interest thereon from the date of expenditure until paid at the Default Rate.

22. Application of Proceeds. To the extent permitted by applicable law, the proceeds of any foreclosure sale of the Mortgaged Premises or of any sale of property pursuant to Section 19(b) hereof shall be distributed in the following order of priority: First, on account of all costs and expenses incident to the foreclosure or other proceedings including all such items as are mentioned in Sections 19(b), 21 and 25 hereof; Second, to all other items which under the terms hereof constitute indebtedness hereby secured in addition to that evidenced by the Notes, by the Applications or arising in connection with the Letters of Credit, with interest thereon as herein provided; and Third, to all principal of and interest on the Notes and all principal of and interest payable under or according to the provisions of the Applications, with any overplus to whomsoever shall be lawfully entitled to same. If such indebtedness is not at the time due, an amount equal to the amount thereof shall be held by Mortgagee

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26. Modifications Not to Affect Lien. Mortgagee, without notice to anyone, and without regard to the consideration, if any, paid therefor, or the presence of other liens on the mortgaged premises, may in its discretion release any part of the mortgaged premises or any person liable for any of the

25. Mortgagee Party to Suits. If mortgagee shall be made a party to or shall intervene in any action or proceeding affecting the mortgaged premises or the title thereto or the interest of mortgagee under this mortgage (including probate and bankruptcy proceedings), or if mortgagee employs an attorney to collect any or all of the indebtedness hereby secured or to enforce any of the terms hereof or realize hereupon or to protect the lien hereof, or if mortgagee shall incur any costs or expenses in preparation for the commencement of any foreclosure proceedings or for the defense of any threatened suit or proceeding which might affect the mortgaged premises or the security hereof, whether or not any such foreclosure or other suit or proceeding shall be actually commenced, then in any such case, mortgagor agrees to pay to mortgagee immediately all reasonable costs, charges, expenses and attorney's fees incurred by mortgagee in any such case, and the same shall constitute so much additional indebtedness hereby secured payable upon demand with interest at the default rate.

24. Mortgagee's and Lenders' Remedies Cumulative - No Waiver. No remedy or right of mortgagee or any lender shall be exclusive of but shall be cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity or by statute or otherwise. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by mortgagee.

23. Deficiency Decree. If at any foreclosure proceeding the mortgaged premises shall be sold for a sum less than the total amount of indebtedness for which judgment is therein given, the judgment creditor shall be entitled to the entry of a deficiency decree against mortgagor and against the property of mortgagor for the amount of such deficiency; and, to the extent permitted by applicable law, mortgagor does hereby irrevocably consent to the appointment of a receiver for the mortgaged premises and the property of mortgagor found therein and of the rents, issues and profits thereof after such sale and until such deficiency decree is satisfied in full.

unless and until the same becomes due and then applied to the payment of the same.

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28. Compliance with Environmental Laws. Mortgagor represents and warrants that, to the best of Mortgagor's knowledge, after due inquiry, and except as set forth in environmental audits of the Mortgaged Premises delivered to Mortgagor prior to the date hereof (the "Environmental Audits") the Mortgaged Premises complies in all material respects with all applicable federal, state, regional, county or local laws, statutes, rules, regulations or ordinances (collectively "Governmental Regulations"), including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §5901 et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. §1251 et seq., the Toxic Substances Control Act of 1976, 15 U.S.C. §2601 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §11001 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. §7401 et seq., the National Environmental Policy Act of 1975, 42 U.S.C. §4321, the Rivers and Harbours Act of 1899, 33 U.S.C. §401 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. §651 et seq., and the Safe Drinking Water Act of 1974, as amended, 42

27. Notices. All communications provided for herein shall be in writing and shall be deemed to have been given when delivered personally or three days after being deposited in the United States first class mail, postage prepaid, addressed to the Mortgagor, at 1700 South Mount Prospect Road, Box 5030, Des Plaines, Illinois 60017, Attention: Vice President-Finance, with a copy to Foley & Lardner, Three First National Plaza, Chicago, Illinois 60602-4208, Attention: Suzanne S. Dawson, 11 to the Mortgagor, at 111 West Monroe Street, Chicago, Illinois 60690, Attention: Division E, 11 to the Lenders at their addresses as shown on the signature pages of the Credit Agreement or to such other and different address as shall be designated by any such party pursuant to a written notice given to each other party in accordance with the provisions of this Section 27.

indebtedness hereby secured or any other collateral security therefor, may extend the time of payment of any of the indebtedness hereby secured and may grant waivers or other indulgences with respect hereto and thereto, and may agree with Mortgagor to modifications to the terms and conditions contained herein or otherwise applicable to any of the indebtedness hereby secured (including modifications in the rates of interest applicable thereto), without in any way affecting or impairing the liability of any party liable upon any of the indebtedness hereby secured or the priority of the lien of this Mortgage upon all of the Mortgaged Premises not expressly released, and any party acquiring any direct or indirect interest in the Mortgaged Premises shall take same subject to all of the provisions hereof.

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30. Notice of Environmental Problem. Mortgagor represents and warrants that it has not given, nor should it give, nor has it received, any notice, letter, citation, order, warning, complaint, inquiry, claim or demand that: (i) Mortgagor has violated, or is about to violate, any federal, state, regional, county or local environmental, health or safety statute, law, rule, regulation, ordinance, judgment or order; (ii) there has been a release, or there is threat of release, of hazardous substances (including, without limitation, petroleum, its by-products or derivatives or other hydrocarbons) from the Mortgaged Premises; (iii) Mortgagor may be or is liable, in whole or in part, for the costs or cleaning up, remediation or responding to a release of hazardous substances (including, without limitation, petroleum, its by-products or derivatives, or other hydrocarbons); (iv) any of the Mortgagor's property or assets are subject to a lien in favor of any governmental body for any liability, costs or damages, under federal, state or local

29. Condition of Property. Mortgagor warrants and represents that, to the best of its knowledge, after due inquiry (except to the extent that no applicable Governmental Regulations are violated and except as set forth in the Environmental Audits in all material respects; the Mortgaged Premises, including all personal property, is free from contamination, there has not been thereon a release, discharge or emission, or threat of release, (including, without limitation, petroleum, its derivatives or by-products, or other hydrocarbons), or any other substance, gas or liquid, which is prohibited, controlled or regulated under applicable law, or which poses a threat or nuisance to safety, health or the environment, and that the Mortgaged Premises does not contain, or is not affected by: (i) asbestos, (ii) urea formaldehyde foam insulation, (iii) polychlorinated biphenyls (PCB's), (iv) underground storage tanks, (v) landfills, land disposals or dumps.

U.S.C. §300(f) et seq., and all rules, regulations and guidance documents promulgated or published thereunder, and any state, regional, county or local statute, law, rule, regulation or ordinance relating to public health, safety or the environment, including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use, handling or disposal of polychlorinated biphenyls (PCB's), asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, its derivatives by-products or other hydrocarbons), to exposure to toxic, hazardous, or other controlled, prohibited or regulated substances, to the transportation, storage, disposal, management or release of gaseous or liquid substances, and any regulation, order, injunction, judgment, declaration, notice or demand issued thereunder.

SECRET

32. Revolving Credit Loan. The Mortgage is given to secure, among other things, a revolving credit loan and shall secure not only presently existing indebtedness under the Credit Agreement but also future advances, whether such advances are

31. Use of Property and Facilities. Mortgagor represents and warrants that to the best of its knowledge, after due inquiry, except to the extent that no applicable governmental Regulations were, are or will be violated in connection therewith: it has never in the past engaged in, and agrees that in the future it shall not conduct, any business, operations or activity on the Mortgaged Premises, or employ or use the personal property or facilities, to manufacture, use, generate, treat, store, transport or dispose of any hazardous substance (including, without limitation, petroleum, its derivatives or by-products, or other hydrocarbons), or any other substance which is prohibited, controlled or regulated under applicable law, or which poses a threat or nuisance to safety, health or the environment, including, without limitation, any business, operation or activity which would bring Mortgagor, its property or facilities, within the ambit of the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. §7401 et seq., or any similar state, county, regional or local statute, law, regulation, rule or ordinance, including, without limitation, any state statute providing for financial responsibility for cleanup for the release or threatened release of substances provided for thereunder. Mortgagor agrees to diligently pursue remediation of the findings, observations and potential concerns described in the Environmental Audit and to continue its program of testing, removal and remediation of underground storage tanks and associated contamination, in any, in accord with the schedule heretofore submitted to Mortgagee and to in any event complete the remediation of each of such prior to the time that the same has a material adverse impact on the financial condition of the Mortgagor or materially interferes with the use and operation of the Mortgaged Premises for its intended purposes. The provisions of this Section 31 shall apply to all real and personal property, without limitation, owned or controlled by Mortgagor or its subsidiaries.

environmental law, rule or regulation arising from or costs incurred by such governmental entity in response to a release of a hazardous substance (including, without limitation, petroleum, its by-products or derivatives, or other hydrocarbons). In the event that Mortgagor receives any notice of the type described in this Section 30, Mortgagor shall promptly provide a copy to Mortgagee, and in no event, later than fifteen (15) days from Mortgagor's receipt or submission thereof.

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34. Successors and Assigns. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Mortgage contained by or on behalf of Mortgagor, or by or on behalf of Mortgagee, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not. If more than one party signs this instrument as Mortgagor, then the term "Mortgagor" as used herein shall mean all of such parties, jointly and severally.

33. Partial Invalidity. All rights, powers and remedies provided herein are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid, illegal or unenforceable, the validity and enforceability of the other terms of this Mortgage shall in no way be affected thereby. Nothing herein contained shall ever entitle Mortgagee, upon the arising of any contingency whatsoever, to receive or collect interest on any portion of the indebtedness hereby secured or on any money obligation hereunder in excess of the highest rate allowed by applicable law on such portion of indebtedness hereby secured or on such money obligation, and in no event shall Mortgagor be obligated to pay interest thereon in excess of such rate.

obligatory or to be made at the option of Mortgagee, or otherwise, as are made within twenty (20) years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no indebtedness hereby secured outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all indebtedness hereby secured, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the Mortgage premises are located. The total amount of indebtedness hereby secured may increase or decrease from time to time, but the total unpaid balance of indebtedness hereby secured (including disbursements which Mortgagee may make under this Mortgage, the Credit Agreement or any other documents related thereto) at any one time outstanding shall not exceed a maximum principal amount of \$30,000,000 plus interest thereon and any disbursements made for payment of taxes, special assessments or insurance on the Mortgage premises and interest on such disbursements (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Mortgage shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Mortgage premises, to the extent of the maximum amount secured hereby.

SECRET

35. Headings. The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

36. Changes, Etc. This instrument and the provisions hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

37. Governing Law. The creation of the Mortgage, the perfection of the lien or security interest in the Mortgaged Premises, and the rights and remedies of Mortgagee with respect to the Mortgaged Premises, as provided herein and by the laws of the state in which the Mortgaged Premises is located, shall be governed by and construed in accordance with the internal laws of the state in which the Mortgaged Premises is located without regard to principles of conflicts of law. Otherwise, the Credit Agreement, the Note, the Applications, and all other obligations of Mortgagee (including, but not limited to, the liability of Mortgagee for any deficiency following a foreclosure of all or any part of the Mortgaged Premises) shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to principles of conflicts of laws, such state being the state where such documents were executed and delivered.

38. Default Rate. As used herein, the term "Default Rate" shall mean the rate per annum determined by adding 3-1/2% to the rate announced by Mortgagee from time to time as its prime commercial rate, with any change in such rate resulting from a change in said prime commercial rate to be effective as of and on the date of the relevant change in such prime commercial rate.

39. Agent. Mortgagee has been appointed as agent pursuant to the Credit Agreement. In acting under or by virtue of this Mortgage, Mortgagee shall be entitled to all the rights, authority, privileges and immunities provided in Sections 10.1 through 10.5 of the Credit Agreement, all of which provisions of said Sections 10.1 through 10.5 are incorporated by reference herein with the same force and effect as if set forth herein. Mortgagee hereby disclaims any representation or warranty to Lenders concerning the perfection of the security interest granted hereunder or the value of the Mortgaged Premises.

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01/10/2008

01/10/2008

01/10/2008

Property of Cook County Clerk

86033432

BY [Signature]
Its VICE-PRESIDENT
Type or Print Name John P. Harness

DESOTO, INC.

[Signature]
Its SECRETARY
Type or Print Name Richard A. Henke

ATTEST:

(SEAL)

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

UNOFFICIAL COPY

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1485897

1485897
MS

IN DUPLICATE

3948098

3948098

FEB -7 PM 12:22

CAROL MOSELEY
REGISTRAR OF TITLES

Submitted to

Address

Promises

Deliver credit to

Address

Deliver duplicate Trust

Deed to

Address

Notified

C. J. BONELLI

CHICAGO TITLE INS
CORP

72-85-897

Property of Cook County Clerk's Office

UNOFFICIAL COPY

Approved Town and Range

Property Address: 1700 South Mount Prospect Road
Des Plaines, Illinois 60017
P.I.N. No.: 08-25-201-007-0000 (Parcel 1)
08-25-203-019-0000 (Parcel 2)
08-25-201-004-0000 (Parcel 3)

8603152

THE EAST 832.0 FEET OF THE NORTH 600 FEET OF THE SOUTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT FORM SAID TRACT HARRY WITTE'S SUBDIVISION OF THE WEST 400 FEET OF THE EAST 832 FEET OF THE NORTH 200 FEET OF SAID SECTION) ALL IN COOK COUNTY, ILLINOIS, EXCEPT THAT PART TAKEN FOR ROAD BY DEED REGISTERED AS DOCUMENT NUMBER 3408383.

PARCEL 3:

THE NORTH 200 FEET OF THE EAST 183 FEET, AS MEASURED ALONG THE EAST AND NORTH LINES RESPECTIVELY, OF THE NORTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS, (EXCEPTING THEREFROM, THAT PART OF THE NORTH 200 FEET, AS MEASURED ON THE EAST LINE OF THE NORTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF A LINE 50.0 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID SECTION);

PARCEL 2:

THE NORTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 25 (EXCEPT THE WEST 451.72 FEET THEREOF AND EXCEPTING THAT PORTION TAKEN FOR MT. PROSPECT ROAD ALSO EXCEPTING THE NORTH 200.0 FEET OF THE EAST 183.0 FEET AS MEASURED ALONG THE EAST AND NORTH LINES RESPECTIVELY) ALL IN TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

PARCEL 1:

Legal Description

SCHEDULE I

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8603158

Property of Cook County Clerk

OFFICIAL SEAL
LISA BRENZA
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. SEPT 16, 1991

Commission Expires:

(SEAL)

(TYPE OR PRINT NAME)

Lisa Brenza

Notary Public

Lisa Brenza

Given under my hand and notarial seal, this 6th day of February, 1991.

I, Lisa Brenza, a Notary Public in and for said County, in the state aforesaid, do hereby certify that John P. Harkness, Wilc Paez, of Desoto, Inc., a corporation, and Richard H. Heinle, Assis. Secretary of said corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Wilc Paez, Assis. and Assis. Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

STATE OF ILLINOIS)
COUNTY OF COOK)
SS.)