

UNOFFICIAL COPY

Chicago, Illinois 60608  
111 West Monroe Street  
Chapman and Cutler  
Julie A. O'Connor

This Instrument Prepared By:

WHEREAS, the Existing Notes have been issued under and are subject to the provisions of that certain Credit Agreement dated February 6, 1991 between Harris individually and as Mortgagee, Continental, Old Kent and Mortgage, a true and correct copy of which is on file at the principal office of the Mortgagee specified above (said Credit Agreement being herein referred to as the "Credit Agreement"); and

WHEREAS, the Mortgage currently secures, among other things, those certain Revolving Credit Notes of Mortgage, payable to the order of Harris in the face principal amount of \$8,000,000 ("Note One"), payable to the order of Continental Bank N.A. ("Continental") in the face principal amount of \$5,000,000 ("Note Two") and payable to the order of Old Kent Bank ("Old Kent") in the face principal amount of \$2,000,000 ("Note Three"), each dated February 6, 1991 and each expressed to mature no later than February 6, 1993 (collectively, the "Existing Notes"); and

WHEREAS, the Mortgage did heretofore execute and deliver to the Mortgagee for the benefit of the Lenders that certain Mortgage and Security Agreement with Assignment of Kents dated February 6, 1991 and recorded in the Recorder's Office of Cook County, Illinois on February 7, 1991 as Document No. 91061411, (the "Mortgage"); and

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

This First Supplement to Mortgage and Security Agreement with Assignment of Rents dated as of November 19, 1991 (the "Supplement") from DESOTO, INC., a Delaware corporation, with its mailing address at 1700 South Mount Prospect Road, Box 5030, Oak Plaines, Illinois 60117 ("Mortgage") to 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 for the Lenders (Harris acting as such agent and any successor or successors to Harris in such capacity being hereinafter referred to as "Mortgagee");

FIRST SUPPLEMENT TO MORTGAGE AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS

DESOTO, INC.

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*Legal follows page.*

*2-Notes identified*

*(17,333,333, 107,666,667)*

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WHEREAS, as a condition precedent to making such amendments to the Credit Agreement, and making certain other financial accommodations to the Mortgagee, Mortgagee requires the Mortgagee, and to accommodate that requirement the Mortgagee desires by this Supplement, to confirm and assure that all the real estate and other properties, rights, interests and privileges of the Mortgagee which are currently subject to the lien of the Mortgagee be and constitute collateral security for the indebtedness whether now existing or hereafter arising which is evidenced by the Replacement Harris Note and the Replacement Continental Note; and

the Mortgagee has concurrently herewith entered into a First Amendment to Credit Agreement dated November 21, 1991 (the "Amendment") a true and correct copy of which is on file at the principal office of the Mortgagee as specified above, amending various terms and conditions set forth in the Credit Agreement including, without limitation, amending the interest rates applicable thereto, reducing the maximum amount which may be outstanding at any one time from \$15,000,000 to \$14,000,000, extending the termination date of the revolving credit from February 6, 1993 to October 31, 1993 and deleting Old Kent as one of the lenders therein (the indebtedness to Old Kent evidenced by Note Three having been paid and satisfied, such indebtedness having been refinanced by the other lenders), and pursuant to which the Mortgagee has executed and delivered (i) a revolving credit note payable to the order of Harris dated November 21, 1991 and expressed to mature no later than the termination date (as defined in the Credit Agreement) and to bear interest at the rate per annum equal to the rate of interest announced by the Mortgagee as its prime rate plus 1/2 of 1% (the "Replacement Harris Note") in substitution and replacement for Note One to evidence the indebtedness of the Mortgagee under the Credit Agreement as amended by Harris Amendment (including the loans made to refinance the indebtedness of the Mortgagee to Old Kent) and (ii) a revolving credit note payable to the order of Continental dated November 21, 1991 and expressed to mature no later than the termination date and to bear interest at the rate per annum equal to the rate of interest announced by the Mortgagee as its prime rate plus 1/2 of 1% (the "Replacement Continental Note") in substitution and replacement for Note Two to evidence the indebtedness of the Mortgagee currently outstanding to Continental under the Credit Agreement as well as loans to be made by Continental to refinance the indebtedness of the Mortgagee to Old Kent); and

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WHEREAS, the Mortgage is to continue to secure all the indebtedness now secured thereby, this Supplement being executed and delivered to confirm and assure the foregoing;

NOW, THEREFORE, for and in consideration of the execution and delivery by the Mortgagee, Harris and Continental of the First Amendment to Credit Agreement, and other good and valuable consideration, receipt whereof is hereby acknowledged, the Mortgage shall be and hereby is supplemented and amended as follows, to wit:

To secure (i) the payment of all principal of and interest on the Replacement Harris Note and the Replacement Continental Note and any and all notes issued in extension or renewal thereof or in substitution or replacement thereof as and when the same become due and payable (whether by lapse of time, acceleration or otherwise), (ii) the reimbursement of any amounts drawn under the letters of Credit (as such term is defined in the Credit Agreement as amended by the Amendment), (iii) the payment of any and all sums payable under or according to the provisions of the Credit Agreement, as amended by the Amendment or the Applications (as such term is defined in the Credit Agreement amended by the Amendment), (iv) the payment of all other indebtedness, obligations and liabilities which the Mortgagee as supplemented hereby secures pursuant to any of its terms and (v) the observance and performance of all covenants and agreements contained herein or in the Replacement Notes or in the Credit Agreement, as amended by the Amendment, 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"), Mortgagee 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 that certain real estate lying and being in Cook County in the State of Illinois described on Schedule I attached hereto and made a part hereof, together with all of the properties, rights, interests and privileges described in Granting Clauses I through VI, both inclusive, of the Mortgage, each and all of such Granting Clauses being hereby incorporated by reference herein with the same force and effect as though set forth herein in their entirety. The foregoing grant of a lien is in addition to and supplemental of and not in substitution for the grant of the lien created and provided for by the Mortgage, and nothing herein contained shall affect or impair the lien or priority of the Mortgage as to the indebtedness which would be secured thereby prior to giving effect to this Supplement.

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3. All capitalized terms used herein without definition shall have the same meanings herein as they have in the Mortgage. The definitions provided herein of any capitalized terms shall apply to such capitalized terms as the same appear in the Mortgage as supplemented hereby, all to the end that any capitalized terms defined herein and used in the Mortgage as supplemented hereby shall have the same meanings in the Mortgage as supplemented hereby as are given to such capitalized terms herein. Without limiting the foregoing, all references in the Mortgage to the term "indebtedness hereby secured" shall be deemed references to all the indebtedness, obligations and liabilities secured by the Mortgage as supplemented hereby; all references in the Mortgage to the "Notes" shall be deemed references, collectively to the Replacement Harris Note and the Replacement Continental Note and any and all notes issued in extension or renewal thereof or in substitution or replacement thereof; and all references in the Mortgage to the "Credit Agreement" shall be deemed references to the Credit Agreement as amended by the Amendment and as the same may from time to time be further modified or amended. All of the provisions, stipulations, powers and covenants contained in the Mortgage

2. All of the provisions, stipulations, powers and covenants contained in the Mortgage as supplemented and amended hereby shall stand and remain unchanged and in full force and effect except to the extent specifically modified hereby and shall be applicable to all of the indebtedness, obligations and liabilities secured by the Mortgage as supplemented hereby.

1. The Mortgagor hereby represents and warrants to the Mortgagees that as of the date hereof each of the representations and warranties set forth in the Mortgage as supplemented hereby are true and correct and that no Event of Default as defined in the Mortgage as supplemented hereby, or any other event which with the lapse of time, the giving of notice or both would constitute such an Event of Default, has occurred and is continuing or shall result after giving effect to this supplement. Mortgagor hereby repeats and reaffirms all covenants contained in the Mortgage, each and all of which shall be applicable to all of the indebtedness secured by the Mortgage as supplemented hereby. The Mortgagor repeats and reaffirms its covenant that all the indebtedness secured by the Mortgage as supplemented hereby will be promptly paid as and when the same becomes due and payable.

In order to induce the Lenders to enter into the Amendment, and to induce the Mortgagee to accept this Supplement on behalf of the Lenders, the Mortgagor hereby further covenants and agrees with, and represents and warrants to, the Mortgagee for the benefit of the Lenders as follows:

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7. Wherever herein any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements by or on behalf of the Mortgagor, or by or on behalf of Mortgagee, or by or on behalf of the holder or holders of the indebtedness hereby secured contained in the Mortgage as supplemented hereby shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

6. No reference to this Supplement need be made in any note, instrument or other document making reference to the Mortgage, any reference to the Mortgage in any of such to be deemed to be a reference to the Mortgage as supplemented hereby. This instrument shall be construed and governed by and in accordance with the laws of the State of Illinois.

5. This Supplement may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed shall be an original but all of which to constitute one and the same instrument.

4. The Mortgagor acknowledges and agrees that the Mortgage as supplemented hereby is and shall remain in full force and effect, and that the Mortgaged Premises are and shall remain subject to the lien and security interest granted and provided for by the Mortgage as supplemented hereby for the benefit and security of all the indebtedness hereby secured, including with-  
out limitation the revolving credit facility made available by Harris and Continental to Mortgagor under the Credit Agreement as amended by the Amendment evidenced by the Replacement Note and the Replacement Continental Note. Without limiting the foregoing, the Mortgagor hereby agrees that, notwithstanding the execution and delivery hereof, (i) all rights and remedies of the Mortgagee under the Mortgage, (ii) all obligations of the Mortgagor thereunder and (iii) the lien and security interest granted and provided for thereby are and as amended hereby shall remain in full force and effect for the benefit and security of all the indebtedness hereby secured, it being specifically understood and agreed that this Supplement shall constitute and be, among other things, an acknowledgement and continuation of the rights, remedies, lien and security interest in favor of the Mortgagee, and the obligations of the Mortgagor to the Mortgagee, which exist under the Mortgage as supplemented hereby.

shall stand and remain unchanged and in full force and effect except to the extent specifically modified hereby and shall be applicable to all of the indebtedness, obligations and liabilities secured by the Mortgage as supplemented hereby.

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Property of Cook County Clerk's Office

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

(CORPORATE SEAL)

DESOTO, INC.  
a Delaware corporation

By [Signature]  
its President

T. F. SHOFEITI  
(Type or Print Name)

Attest: [Signature]  
its Secretary

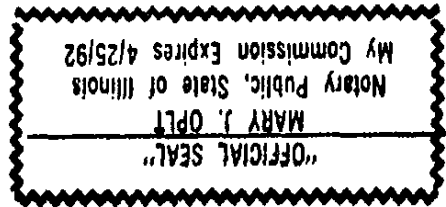
ANNE E. FISKE  
(Type or Print Name)

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

HARRIS TRUST AND SAVINGS BANK,  
as Agent for the Lenders

B. [Signature]  
its Vice President

G. A. W. HARTMAN  
(Type or Print Name)



Commission Expires:

(Notarial Seal)

(Type or Print Name)

MARY J. OPLT

Mary J. Oplt  
Notary Public

Given under my hand and notarial seal, as of this 19th day of November, 1991.

I, MARY J. OPLT, Notary Public in and for said County, in the State aforesaid, do hereby certify that L. F. HARTMAN, Secretary, THOMAS HARTMAN, President of Desoto, Inc., a Delaware corporation, and THOMAS HARTMAN, 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 President and 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; and the said Secretary then and there acknowledged that he, as custodian of the corporate seal of said corporation, did affix the corporate seal of said corporation to said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

STATE OF ILLINOIS )  
COUNTY OF COOK )

SS.

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Property of Cook County

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Property of Cook County Clerk

Commission Expires:

OFFICIAL SEAL  
LISA BRUNZA  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXPIRES

(Notarial Seal)

(Type or Print Name)

Lisa Brunza

Notary Public

[Signature]

Given under my hand and notarial seal, as of this 25<sup>th</sup> day of November, 1991.

I, Lisa Brunza, Notary Public in and for said County, in the State aforesaid, do hereby certify that Carol M. Hartman, Vice President of Harris Trust and Savings Bank, an Illinois banking corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his 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 )  
                          ) SS.  
COUNTY OF COOK )



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IN DUPLICATE

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1435897

McLaughlin

1981 DEC -3 PM 2:47  
CAROL MOBELEY GRADE  
REGISTER OF TITLES

IDENTIFIED  
No.  
CAROL MOBELEY GRADE  
REGISTER OF TITLES

CHICAGO TITLE INS  
GM  
72-85-516

Property of Cook County Clerk's Office

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)

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:

Secured Party: HARRIS TRUST AND SAVINGS BANK, as Agent under  
that certain Credit Agreement dated as of  
February 6, 1991.

Debtor: DEBOTO, INC.

SCHEDULE I

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