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STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

Prepared by and after
recording return to:

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Thomas G. Jaros
Levenfeld, Eisenberg,
Janger & Glassberg
33 West Monroe Street
21st Floor
Chicago, Illinois 60603

Property: 412 Matteson Street
Dyer, Indiana

PIN: 14-38-12; 14-33-1
14-8-32

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FIRST NATIONAL BANK OF ILLINOIS
**FIRST AMENDMENT TO COMMERCIAL MORTGAGE AND
FIRST AMENDMENT TO ASSIGNMENT OF LEASES AND RENTS**

THIS FIRST AMENDMENT TO COMMERCIAL MORTGAGE AND FIRST AMENDMENT TO ASSIGNMENT OF LEASES AND RENTS (*this "Amendment"*) dated as of April 10, 1998 is by and between **HADADY CORPORATION**, a Delaware corporation (*"Mortgagor" or "Borrower"*), whose business address is 510 West 172nd Street, South Holland, Illinois 60473 to **FIRST NATIONAL BANK OF ILLINOIS**, a national banking association, whose address is 3256 Ridge Road, Lansing, Illinois 60438-3194 (*"Mortgagee" or "Lender"*) has reference to the following facts and circumstances:

WHEREAS, on or about August 31, 1995, to secure the repayment of, among other things, the Notes, Mortgagor executed and delivered to Mortgagee:

- (a) a Commercial Mortgage dated August 31, 1995 (*the "Mortgage"*) in and to the Mortgaged Property which was recorded in the Office of the Lake County Recorder on September 1, 1995 as document number 95051575;
- (b) an Assignment of Leases and Rents dated August 31, 1995 (*the "Assignment"*) in and to the Mortgaged Property which was recorded in the Office of the Lake County Recorder on September 1, 1995 as document number 95051576; and
- (c) a UCC-2 Financing Statement (*the "UCC Statement"*) listing Mortgagor as debtor and Mortgagee as secured party which was recorded in the Office of the Lake County Recorder on September 1, 1995 as document number 95002995.

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WHEREAS, concurrent with the execution of this Amendment, Mortgagor and Mortgagee have entered into that certain Amended and Restated Loan and Security Agreement (*the "Amended Loan Agreement"*) which Amended Loan Agreement was executed in amendment and restate of the Loan Agreement;

WHEREAS, Mortgagee is willing to enter into the Loans (*as defined in the Amended Loan Agreement*) and accept the Amended Loan Agreement provided that the Mortgage and Assignment continue to secure the repayment of the Liabilities (*as redefined below*); and

WHEREAS, Mortgagee and Mortgagor desire to modify the Mortgage and the Assignment to, among other things, provide for the restructuring of the Loans and the execution and delivery of the Amended Loan Agreement.

NOW, THEREFORE, in consideration of the above and the promises set forth herein, and for other good and valuable consideration the receipt and adequacy of which is hereby acknowledged, Mortgagor and Mortgagee as follows:

1. AMENDMENTS AND AGREEMENTS

1.1 The term "Notes", as used in the Mortgage and the Assignment, is hereby amended and redefined to hereafter refer to all obligations evidenced by the following:

- (a) a Revolving Line of Credit Secured Note/Adjustable Rate dated of even date herewith in the maximum original principal amount of Three Million and no/100ths Dollars (\$3,000,000.00)(*the "Line of Credit Note"*) made by Mortgagor in favor of Mortgagee; and
- (b) a Converting Line of Credit Secured Note dated of even date herewith in the maximum original principal amount of Two Million and no/100ths Dollars (\$2,000,000.00)(*the "Equipment Line Note"*) made by Hadady Investment Company, an Illinois corporation ("*HICO*") in favor of Mortgagee;
- (c) a Secured Note/Fixed Rate dated of even date herewith in the original principal amount of Three Hundred Eighty-Nine Thousand Two Hundred Sixty-Four and 69/100ths Dollars (\$389,264.69)(*the "Hadady Equipment Term Note"*) made by Mortgagor in favor of Mortgagee;
- (d) a Secured Note/Fixed Rate dated of even date herewith in the original principal amount of One Million Four Hundred Twenty-One Thousand Nine Hundred Thirty-Five and 72/100ths Dollars (\$1,421,935.72)(*the "HICO Equipment Term Note"*) made by HICO in favor of Mortgagee; and

- (e) a Secured Note/Fixed Rate dated September 16, 1996 in the original principal amount of Five Hundred Thousand and no/100ths Dollars (\$500,000.00)(the "Hadady Mortgage Note") made by Mortgagor in favor Mortgagee.

1.2 The term "Loan Agreement" as used in the Mortgage and the Assignment, shall hereinafter be read to also refer to the Amended Loan Agreement.

1.3 The term "Liabilities" shall hereafter be defined as the indebtedness evidenced by the Notes (as described and defined above), including the principal thereof and interest and premium, if any, thereon, and any extensions, substitutions and renewals thereof, in whole or in part, and any and all other sums which may be at any time due or owing or required to be paid under the Notes, the Mortgage, the Assignment or the Amended Loan Agreement. In no event shall the total amount of Liabilities, including loan proceeds disbursed plus any additional charges provided for hereunder, exceed twice the aggregate principal amount of the Notes

1.4 The loan evidenced by the Line of Credit Note is a "revolving credit" loan as defined in 815 ILCS 205/4.1. The Equipment Line Note is a non-revolving line of credit loan. The Mortgage and the Assignment secure not only the indebtedness from the Mortgagor to the Mortgagee existing on the date of this Amendment, but also all future advances under the Line of Credit Note and the Equipment Line Note (or any substitution, renewal, extension or replacement), whether such advances are obligatory or are to be made at the option of the Mortgagee, or otherwise, as are made within twenty years from the date of this Amendment, to the same extent as if such future advances were made on the date of the execution of this Amendment, even though there may be no advance made at the time of the execution of this Amendment and even though there may be no indebtedness outstanding at the time any advance is made.

1.5 Mortgagor hereby acknowledges and agrees that: (a) the Line of Credit Note, the Hadady Equipment Note and the HICO Equipment Note have been executed by the maker thereof in substitution, replacement, renewal and amendment of other notes in existence prior to the date hereof; (b) the Equipment Line Note represents a new loan to HICO under the terms set forth therein; and (c) the Hadady Mortgage Note evidences an existing loan to Hadady and such loan shall continue to be evidenced by the Hadady Mortgage Note.

1.6 The Mortgage and Assignment (both as amended hereby), and all security interests, liens and pledges granted therein, shall secure the Liabilities (as such term is now defined pursuant to this Amendment).

1.7 Mortgagee shall not be required to amend the UCC Statement in connection herewith, but, to the extent required, the Amendment shall be deemed to amend the UCC Statement in order to conform with the statements set forth herein.

2. REPRESENTATIONS, WARRANTIES AND WAIVERS

Mortgagor hereby represents, warrants, covenants and agrees with Mortgagee as follows:

- (a) The recitals set forth at the beginning of this Amendment are factually true and correct in all respects and such have been relied on by Mortgagee and form a material part of this Amendment.
- (b) Except as modified by or as otherwise expressly provided for in this Amendment: (i) the Mortgage and the Assignment shall be unaffected and in no way be released, mitigated, or discharged as a result of this Amendment; and (ii) the Mortgage and the Assignment are in full force and effect and are binding and enforceable, and will remain binding and enforceable, against Mortgagor in accordance with their terms, but subject to the provisions of this Amendment.
- (c) Mortgagor does not possess any claims, defenses, offsets or counterclaims against the Mortgagee relating to the Mortgage or the Assignment. Mortgagor does not have any knowledge of any facts that would give rise to any claims, defenses, offsets or counterclaims against the Mortgagee relating to the enforceability of the Mortgage or the Assignment.
- (d) In the event there exists any facts that would give rise to any claim, defense, offset or counterclaim against or with respect to the enforcement of the Mortgage or the Assignment, Mortgagor hereby unconditionally, irrevocably, and unequivocally waives and fully releases Mortgagee of any such claim, defense, offset or counterclaim to the same extent as if such claims were the subject of a lawsuit adjudicated to conclusion and dismissed therein with prejudice.
- (e) Prior to the date hereof, Mortgagee has fully performed its obligations under the Mortgage and the Assignment.
- (f) Except as modified hereby: (i) Mortgagor hereby reaffirms and remakes all of the representations, warranties, covenants and agreements contained in the Mortgage and the Assignment; and (ii) Mortgagor affirmatively states that, as of the date of this Amendment, all of the representations, warranties and covenants contained in the Mortgage and the Assignment are true as of the date of this Amendment as if made on the date hereof.
- (g) The terms and provisions of the Mortgage and the Assignment not specifically modified by this Amendment shall remain in full force and effect and shall not be construed to have been modified, waived, discharged or otherwise altered by this Amendment.

- (h) No Default or Event of Default has occurred under the Mortgage or the Assignment and no circumstances exist which would constitute a Default or an Event of Default if proper notice were given or a grace period elapsed.

3. MISCELLANEOUS

3.1 This Amendment shall be binding upon and inure to the benefit of the successors and assigns of Mortgagor and Mortgagee.

3.2 The terms and provisions of the Mortgage and the Assignment are incorporated herein by reference as if fully stated herein. To the extent the terms of this Amendment conflict with the terms of the Mortgage or the Assignment, the terms of this Amendment shall control.

3.3 This Amendment shall be governed and controlled by the laws of the State identified as the governing State in the Mortgage.

3.4 Any term capitalized in this Amendment but not specifically defined or amended herein shall have the meaning given to it in the Mortgage.

3.5 This Amendment cannot be amended, modified, waived or discharged unless such amendment, modification, waiver or discharge is agreed to in a writing signed by all parties hereto. No agreements or representations, oral or otherwise, expressed or implied, have been made by any party hereto which are not set forth expressly in this Amendment, the Notes, the Mortgage, the Assignment or the Amended Loan Agreement.

3.6 If any term, provision, covenant or restriction of this Amendment is held by a court of competent jurisdiction to be invalid, void or unenforceable for any reason, it shall be adjusted rather than voided, if possible, in order to achieve the intent of the parties to this Amendment to the extent possible. In any event, all other terms, provisions, covenants or restrictions of this Amendment shall be deemed valid and enforceable and shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

3.7 This Amendment may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

3.8 The headings herein are for convenience only and shall in no manner be construed to affect the substantive nature of this Amendment.

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year specified at the beginning hereof.

MORTGAGOR:
HADADY CORPORATION, a Delaware corporation

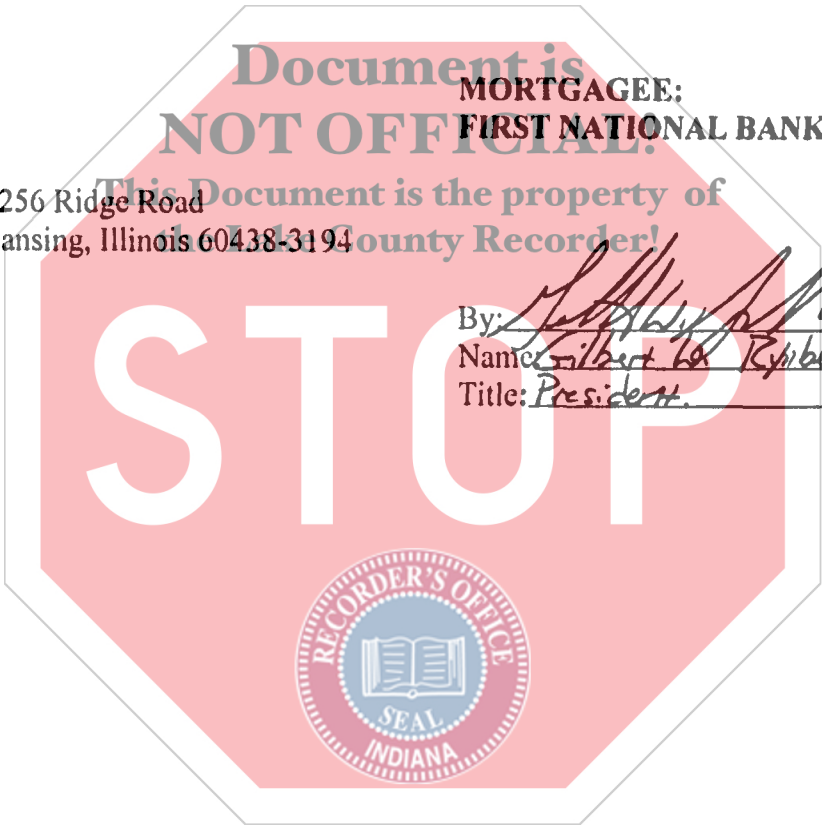
Address: 510 West 172nd Street
South Holland, Illinois 60473

By: Robert H. Cantwell, Jr.
Name: Robert H. Cantwell, Jr.
Title: President

MORTGAGEE:
FIRST NATIONAL BANK OF ILLINOIS

Address: 3256 Ridge Road
Lansing, Illinois 60438-3194

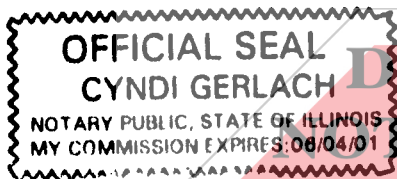
By: Robert G. Ryback
Name: Robert G. Ryback
Title: President



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Robert H. Cantwell, Jr., the President of **HADADY CORPORATION**, a Delaware corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged before me that he signed and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 10 day of April, 1998.



Cyndi Gerlach
Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Robert H. Cantwell, Jr., the President of **FIRST NATIONAL BANK OF ILLINOIS**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged before me that (s)he signed and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 10 day of April, 1998.



Cyndi Gerlach
Notary Public

**EXHIBIT A
TO
FIRST AMENDMENT TO COMMERCIAL MORTGAGE
FIRST AMENDMENT TO ASSIGNMENT OF LEASES AND RENTS**

Legal Description

Parcel 1:

Lot 12 and the North 53 feet of Lot 13, Block 4, Original Town of Dyer, as shown in Miscellaneous Record "A", page 251 in Lake County, Indiana together with the vacated alley lying between said lots 12 and 13.

Parcel 2:

Lots 1 and 2, Block 3, Nondorf's Addition to Dyer, recorded in Miscellaneous Record "A", page 477, in Lake County, Indiana

Parcel 3:

Part of the North $\frac{1}{2}$ of the South $\frac{1}{2}$ of Section 12, Township 35 North, Range 10 East of the Second Principal Meridian, described as follows: Beginning at the Northeast corner of Lot 1, Block 3, Nondorf's Addition to Dyer; thence North along the East line of said Lot 1 extended (West line of Nondorf Street), a distance of 67.00 feet; thence West along a line parallel to and 67.00 feet North of the North line of said Lot 1 (South line of Matteson Street), a distance of 182.00 feet; thence South along the West line of said Lot 1 extended, a distance of 67.00 feet; thence East along the North line of said Lot 1, a distance of 182.00 feet to the place of beginning, all in the Town of Dyer, Lake County, Indiana.

P.I.N. 14-38-12
 14-33-1
 14-8-32

Common Address: 412 Matteson Street
 Dyer, Indiana

