

# UNOFFICIAL COPY

## PROMISSORY NOTE

AMOUNT: \$600,000.00

DATE: September 14, 1987

ON DEMAND, the undersigned, for value received, promises to pay to the order of FIRST NATIONAL BANK OF SKOKIE (hereinafter, together with any holder hereof, called the "Bank") at its offices in Skokie, Illinois, the sum of Six hundred thousand and no/100 Dollars, or if less, the aggregate unpaid principal amount of all advances made by Bank to the undersigned hereunder, with interest thereon from date until paid computed at a rate per annum equal to the prime rate in effect from time to time at the Bank, plus 2 3/4 % per annum, and after demand has been made at a rate per annum equal to the prime rate in effect from time to time at the Bank, plus 7 % per annum. The term "prime rate", as used herein, shall mean at any time the rate per annum then most recently announced by the Bank in Skokie, Illinois as its prime rate, and the rate at which interest accrues hereon shall change from time to time concurrently with each change in said prime rate. It is expressly agreed that the use of the term "Prime Rate" is not intended nor does it imply that said rate of interest is a preferred rate of interest or one which is offered by Bank to its most credit worthy customers. All interest shall be computed for the actual number of days elapsed on the basis of a year consisting of 360 days. All advances and all payments made on account of principal hereof shall be endorsed by the holder hereof on the grid attached hereto and shall be rebuttable presumptive evidence of the principal amount owing hereon. The undersigned shall have the right on any business day to prepay the principal amount outstanding hereunder, or any part thereof. This Note evidences indebtedness incurred under and pursuant to a Letter Agreement between the undersigned and the Bank dated September 14, 1987.

As security for the payment of this note and any and all other liabilities and obligations of the undersigned to the Bank, howsoever created, arising or evidenced, and howsoever owned, held or acquired, whether now or hereafter existing, whether now due or to become due, whether direct or indirect, or absolute or contingent, and whether several, joint or joint and several (all of which liabilities and obligations, including this note, are hereinafter called the "Obligations"), the undersigned does hereby pledge, assign, transfer and deliver to the Bank and does hereby grant to the Bank a continuing security interest in and to any property of the undersigned of any kind or description, tangible or intangible, now or hereafter assigned, transferred or delivered to or left in or coming into possession, control or custody of the Bank by or for the account of the undersigned including, but not limited to (1) cash, negotiable instruments, documents of title, chattel paper, securities, certificates of deposit, deposit accounts, interest or dividends thereon, other cash equivalents, and all other property of whatever description of the undersigned, whether now existing or hereafter acquired, and now or hereafter in the possession or control of or assigned to the Bank, and the products and proceeds therefrom; and (2) the additional property of the undersigned, whether now existing or hereafter acquired and the products and proceeds therefrom, described and set forth as follows:

1) Accts Rec. and Inv. as described in Security Agreements dtd 8/14/86 & 4/22/87.

2) Equip. as described in Security Agreements dtd. 8/14/86 & 4/22/87.

All of the aforesaid property and the products and proceeds therefrom are herein collectively called the "Collateral".

The undersigned agrees to deliver to the Bank forthwith upon its demand, such other collateral as the Bank may request from time to time should the value of the Collateral decline, deteriorate, depreciate or become impaired, or should the Bank deem itself insecure for any reason whatsoever, including, but not limited to, a change in the financial condition of the undersigned, or any other party liable with respect to the Obligations, and does hereby grant to the Bank a continuing security interest in such other collateral, which, when pledged, assigned and transferred to the Bank shall be and become part of the Collateral. The Bank's security interests in each of the foregoing Collateral shall be valid, complete and perfected whether or not the same shall be covered by a specific assignment.

The Bank shall have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as the undersigned shall reasonably request in writing, provided that such request shall not be inconsistent with Bank's status as a secured party, but the failure to comply with any such request shall not be deemed a failure to exercise reasonable care. The undersigned shall have the sole responsibility for taking such steps as may be necessary from time to time to preserve all rights of the undersigned and the Bank in the Collateral against prior parties.

The Bank may take such action from time to time as it may deem appropriate to maintain or protect the Collateral, and in particular may at any time (1) transfer the whole or any part of the Collateral into the name of itself or its nominee; (2) collect any amounts due on the Collateral directly from the persons obligated thereon; (3) vote the Collateral; (4) take control of any proceeds and products of the Collateral; (5) sue or make any compromise or settlement with respect to any of the Collateral; or (6) make an election with respect to the Collateral under PP 1111 of the Bankruptcy Code now existing or hereafter amended; provided, however, that any such action of the Bank as in this paragraph set forth shall not in any manner whatsoever, impair or affect the liability hereunder, nor prejudice or waive nor be construed to impair, affect, prejudice or waive Bank's rights and remedies at law, in equity or by statute, nor release or discharge, nor be construed to release or discharge, the undersigned or any guarantor or other person, firm or corporation liable to the Bank for the obligations and indebtedness, whether now existing or hereafter created or arising, evidenced by this note.

The undersigned shall be in default hereunder if (1) any amount payable on any of the Obligations is not paid when due; or (2) the undersigned shall otherwise fail to perform any of the promises to be performed by them hereunder or under any other security agreement or other agreement with the Bank; or (3) any Obligor who is a natural person dies.

Whenever the undersigned shall be in default as aforesaid, (1) at the option of the Bank, the entire unpaid amount of all the Obligations shall become immediately due and payable; (2) the Bank may, at its option, sell all or any of the Collateral at public or private sale, without notice or advertisement, upon such terms and conditions as the Bank may deem proper, and the Bank may purchase any or all of the Collateral at any such sale, and the Bank may apply the net proceeds, after deducting all costs, expenses and attorneys' fees incurred at any time in the collection, protection and sale of the Collateral and the Obligations, to the payment of this note and/or any of the other Obligations, returning the excess proceeds, if any, to the undersigned, the undersigned remaining jointly and severally liable for any amount remaining unpaid after such application, with interest; and (3) the Bank may at its option exercise from time to time any rights and remedies available to it under the Uniform Commercial Code of Illinois.

# UNOFFICIAL COPY EXHIBIT "A"

The undersigned waives the benefit of any law that would otherwise restrict or limit the Bank in the exercise of its right, which is hereby acknowledged, to appropriate at any time hereafter any indebtedness owing from the Bank to the undersigned and apply the same on any or all of the Obligations. The undersigned does hereby assign and transfer to the Bank any and all cash, negotiable instruments, documents of title, chattel paper, securities, certificates of deposit, deposit accounts, other cash equivalents and other assets of the undersigned in the possession or control of the Bank for any purpose. The undersigned waives every defense, counter-claim or set-off which the undersigned, or any of them, may now have or hereafter may have to any action by the Bank in enforcing this note or the Collateral and ratifies and confirms whatever the Bank may do pursuant to the terms hereof and with respect to the Collateral and agrees that the Bank shall not be liable for any error of judgment or mistakes of fact or law.

The undersigned waives presentment, demand, notice of dishonor, protest and all other notices and demands in connection with the enforcement of the Bank's rights hereunder, and hereby consents to, and waives notice of the release with or without consideration of any of the undersigned or of any Collateral. Any failure of the Bank to exercise any right available hereunder or otherwise shall not be construed as a waiver of the right to exercise the same or any other right at any other time.

The undersigned hereby authorizes irrevocably any attorney of any court of record to appear for them, or any of them, in such court at any time after this note becomes due, in term time or vacation, and confess a judgment without process in favor of the Bank for the amount then due hereon, together with costs of collection and reasonable attorneys' fees, and to release and waive all errors that may intervene and consent to immediate execution upon such judgment.

The undersigned agrees to pay all costs of collection and attorneys' fees paid or incurred in enforcing any of the Bank's rights hereunder or in connection with the Collateral, promptly on demand of the Bank or other person incurring the same.

The Bank may at any time transfer this note and the Bank's rights in any or all of the Collateral, and the Bank thereafter shall be relieved from all liability with respect to such Collateral.

This note shall be governed and construed in accordance with the laws of the State of Illinois and shall be binding upon the undersigned and their respective heirs, legal representatives, successors and assigns. If this note contains any blanks when executed by the undersigned, the Bank is hereby authorized, without notice to the undersigned, to complete any such blanks according to the terms upon which the loan is granted. Wherever possible, each provision of this note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this note shall be prohibited by or invalid under such law, such provision shall be severable, and be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this note.

87548281

ADDRESS: 10208 Franklin Avenue  
Franklin Park, IL 60131

Quality Step Tool Corp.  
BY: \_\_\_\_\_  
Vlastimir Denic  
ITS: President  
BY: \_\_\_\_\_  
Jezdimir Nikolic  
ITS: Treasurer

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Property of Cook County Clerk's Office

10/20/2011 10:10:10 AM

# UNOFFICIAL COPY

4320 1 "EXHIBIT 'A'"

GRID ATTACHED TO AND MADE A PART OF THAT  
CERTAIN PROMISSORY NOTE DATED

Between

Quality Stop Tool Corp.

and First National Bank of Skokie

DATE	AMOUNT OF ADVANCE	AMOUNT OF PRINCIPAL PAID	AGGREGATE UNPAID PRINCIPAL BALANCE	NOTATION BY

Property of Cook County Clerk's Office

87518281

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2025/05/24



# UNOFFICIAL COPY

EXHIBIT "A"

DATE: September 14, 1987

First National Bank of Skokie  
8001 Lincoln Avenue  
Skokie, Illinois 60077

Dear Sirs:

Enclosed herewith you will find our Note dated September 14, 1987 which is to evidence loans or advances which we may from time to time request you to make to us and which you may from time to time, in your sole discretion, make in amounts which are not to exceed in the aggregate, at any one time outstanding, Six hundred thousand and no/100-----DOLLARS (\$ 600,000.00 ). (the "Grid Note")

1. We hereby agree with you that from time to time upon the advice of one of the following duly authorized officers or individuals:

Vlastimir Denic

Jezdimir Nikolic

given by telephone or other means of communication to you to the effect that we wish to borrow money, you shall credit our Account Number 13773-1 with you such sums of money as may be mutually agreed upon at such time provided, however, that such outstanding loans shall not exceed the aggregate amount of Six hundred thousand and no/100-----DOLLARS (\$ 600,000.00 ) at any one time outstanding. You shall incur no liability to us in acting upon telephone instructions which the recipient thereof believed in good faith to have been given by any such persons.

2. It is expressly agreed and understood that any and all documents including letters of confirmation, which may be required to be executed in conjunction with such loans under and pursuant to the terms of this agreement, may be signed by any of the officers or other persons duly authorized by our general borrowing resolution dated April 22, 1987, a certified copy of which is attached and as such resolution may be amended from time to time provided that such amended resolution shall have been certified by our Secretary or Assistant Secretary and a certified copy thereof shall have been delivered to you.

3. We agree to forward written evidence of each loan hereunder, including the amount and date thereof, by mailing to you on the same date that such loan is made a written confirmation on the form shown as Exhibit "A" attached hereto, of the amount so borrowed and confirming the revised balance of the note. Such confirmation shall be signed by two of our duly authorized officers or other persons duly authorized as set forth in the aforesaid resolution. It is expressly agreed and understood, however, that any sums of money so borrowed shall immediately be credited to our Account Number 13773-1 with you pending the receipt of said confirmation letter by you in the ordinary course of the mail.

4. Interest on the borrowings shall be computed at a rate per annum which is equal to 2 3/4 percent per annum in excess of your prime rate in effect from time to time and shall be paid monthly by charging our Account Number 13773-1 with you if sufficient; and if not, shall be billed by you and shall be computed on daily balances outstanding on the basis of a year consisting of 360 days.

87518281

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1574 RIT 5A

5. It is expressly agreed and understood that all borrowings hereunder and all other Liabilities to you shall be secured by all property and/or rights granted to you pursuant to: 1) Accts. Rec. and Inv., as described in Security Agreements dtd 8/14/86 & 4/22/87, 2) Equip., as described in Security Agreements dtd. 8/14/86 & 4/22/87.

6. All borrowings hereunder shall be repaid by us upon your demand, but they may at our election in any instance be repaid in full or in part at any time prior to your demand. We agree to forward written evidence of repayment by mailing to you on the same date a written confirmation on the form shown as Exhibit "A" attached hereto confirming amounts to be paid and such confirmation shall be signed by two of our duly authorized officers or other persons duly authorized as set forth in the appropriate resolution.

7. We understand that your acceptance of this Letter Agreement does not commit you to make any of the loans or advances contemplated hereunder and that you shall make any such loan or advance in your sole and absolute discretion. Any changes in this Agreement or in the Security Agreement aforementioned will be made in written form.

8. You shall not be liable to us for, and we hereby indemnify you against, and agree to hold you harmless from, any Liability or claims (including court costs, reasonable attorneys' fees and other expenses), which you may incur, in connection with or pursuant to this Letter Agreement, the Note, the Security Agreement or the general borrowing resolution.

If this Letter Agreement is satisfactory to you, please indicate your acceptance by signing and returning to us a copy of this Letter Agreement provided for that purpose.

Very truly yours,

Quality Step Tool Corp.

By: \_\_\_\_\_

Vlastimir Denic

Its: President

By: \_\_\_\_\_

Jezdimir Nikolic

Its: Treasurer

FIRST NATIONAL BANK OF SKOKIE, SKOKIE, ILLINOIS

By: \_\_\_\_\_

Paul A. Hartmann

Its: Vice President



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Form 8888 (Revised 12/15/99)

ADDRESS: 7223 Beckwith, Marton Grove, IL 60053
ADDRESS: Jozdmitr Nikolich
ADDRESS: Snazana Nikolich
September 19, 87

18381528

SIGNED AND DELIVERED by the undersigned, at Skokie, Illinois, this 14th day of September 1987

Each of the undersigned agrees that, in the event of the death, incompetency, dissolution or insolvency of the Debtor or such undersigned, or the inability of the Debtor or such undersigned to pay debts as they mature, or an assignment by the Debtor or such undersigned for the benefit of creditors, or the institution of any proceeding by or against the Debtor or such undersigned alleging that the Debtor or such undersigned is insolvent or unable to pay debts as they mature, and if such event shall occur at a time when any of the liabilities may not then be due and payable, such undersigned will pay to the Bank forthwith the full amount which would be payable hereunder by such undersigned if all liabilities were then due and payable. The undersigned further agrees that this guaranty shall continue to be effective, as the case may be, at any time payment, or any part thereof, of the liabilities to the Bank is rescinded or must otherwise be returned by the Bank upon the insolvency, bankruptcy or reorganization of the Debtor or otherwise, all as though such payment to the Bank had not been made. The Bank may, without demand or notice of any kind, at any time when any amount shall be due and payable hereunder by any of the undersigned, appropriate and apply toward the payment of such amount, and in such order of application as the Bank may from time to time elect, any property, balances, credits, deposits, accounts or any of the undersigned and unconditional guaranty and shall remain in full force and effect as to the undersigned, subject to discontinuance of this guaranty to a party of the undersigned (including, without limitation, any undersigned who shall become deceased, incompetent or disabled) only as follows: any of the undersigned, and any person duly authorized and acting on behalf of any of the undersigned, may give written notice to the Bank of discontinuance of this guaranty as to the undersigned by whom or on whose behalf such notice shall be effective in any respect until it is actually received by the Bank and no such notice shall be effective in any respect by whom or on whose behalf such notice is given, but no such notice shall be effective in any respect by whom or on whose behalf such notice is given, and in enforcing this guaranty against such undersigned. Any such notice of discontinuance by or on behalf of any of the undersigned shall not affect or impair the obligations hereunder of any other of the undersigned. The Bank may, from time to time, without notice to the undersigned (or any of them), take all or any of the following actions: (a) retain or obtain a security interest in any property to secure any of the liabilities or any obligation hereunder; (b) retain or obtain the primary or secondary liability of any party or parties, in addition to the undersigned, with respect to any of the liabilities; (c) extend or renew for any period (whether or not longer than the original period), alter or exchange any of the liabilities; (d) release or compromise any liability of any of the undersigned hereunder or any liability of any other party or parties with respect to the liabilities or any security interest; (e) release its security interest, if any, in all or any property securing any of the liabilities or any obligation hereunder or permit any substitution or exchange for any such property; and (f) resort to the undersigned (or any of them) for payment of any of the liabilities, whether or not the Bank shall have resorted to any property securing any of the liabilities or any obligation hereunder or shall have proceeded against any other of the undersigned or any other party primarily or secondarily liable on any of the liabilities. Any amount received by the Bank from whatsoever source and applied by it to or toward the payment of the liabilities shall be applied in such order of application as the Bank may from time to time elect. The undersigned hereby expressly waives: (a) notice of the acceptance of this guaranty; (b) notice of the existence or creation of all or any of the liabilities; (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever; and (d) all diligence in collection or protection of or realization upon the liabilities or any thereof, any obligation hereunder, or any security for any of the foregoing. The creation or existence (even time to time) of liabilities in excess of the amount to which the right of recovery under this guaranty is limited is hereby authorized, without notice to the undersigned (or any of them), and shall in no way affect or impair this guaranty. The Bank may, without notice of any kind, sell, assign or transfer all or any of the liabilities, and in such event each and every immediate and successive assignee, transferee, or holder of all or any of the liabilities, shall have the right to enforce this guaranty by, out or otherwise, for the benefit of such assignee, assignee, transferee, or holder of all or any of the liabilities, shall have the right to enforce this guaranty by, out or otherwise, for the benefit of such assignee, transferee or holder, as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits, but the Bank shall have an unimpaired right, power and support to that of any such assignee, transferee or holder, to enforce this guaranty for the benefit of the Bank, as to so much of the liabilities as it has not sold, assigned or transferred. No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no sale or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. No action of the Bank permitted hereunder shall in any way impair or affect this guaranty. For the purposes of this guaranty, liabilities shall include all obligations of the Debtor to the Bank, notwithstanding any right or power of the Debtor or anyone else to assert any claim or defense as to the validity or enforceability of any such obligation, and no such claim or defense shall impair or affect the obligations of the undersigned hereunder. This guaranty shall mean all parties executing this guaranty, and all such parties shall be jointly and severally obligated hereunder. This guaranty shall execute this guaranty, the term "undersigned" shall mean all parties executing this guaranty, and all such parties shall be jointly and severally obligated hereunder. This guaranty has been made and delivered at Skokie, Illinois, and shall be governed by the laws of the State of Illinois. Wherever possible each provision of this guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this guaranty shall be prohibited by or in violation of any law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision of the remaining provisions of this guaranty.

FOR VALUE RECEIVED and in consideration of any loan or other financial accommodation heretofore or hereafter at any time made or granted to QUALITY STEP TOOL CORP., (hereinafter called the "Debtor") by FIRST NATIONAL BANK OF SKOKIE, SKOKIE, ILLINOIS (hereinafter called the "Bank"), the full (hereinafter, together with its successors and assigns, called the "Bank"), and at all times thereafter, of all obligations of the Debtor to the Bank, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due (all such obligations being hereinafter collectively called the "Liabilities"), and the undersigned further agrees to pay all expenses (including attorneys' fees and legal expenses) paid or incurred by the Bank in endeavoring to collect the Liabilities, or any part thereof, and in enforcing this guaranty. The right of recovery against the undersigned is, however, limited to the amount of \$1,000,000.00 and no/100,000.00 dollars plus interest on such amount and plus all expenses of enforcing this guaranty.

GUARANTY

18381528

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EXHIBIT 8C

Instrument of guaranty shall accrue by reason of your sale, assignment or transfer of the liability thereby guaranteed, whereupon the said property shall continue in pledge to secure the full, punctual and faithful observance and performance of all the terms and provisions of said guaranty instrument.

1) All 100% of the pledgor's rights, powers, privileges and beneficial interest

under that Trust Agreement dated August 7, 1986 with FNBOS as Trustee and known as Trust #52189T and the proceeds thereof via assignment dated 8/14/86; 2) Junior mortgage dated 9/14/87 in the amount of \$600,000 covering real estate commonly known as 7923 Beckwith, Morton Grove, IL 3) Junior mortgage dated 9/14/87 in the amount of \$600,000 covering real estate commonly known as 10208 Franklin Avenue, Franklin Park, IL.

SIGNED AND DELIVERED by the undersigned at Skokie, Illinois, this

14th day of September, 1987.

\_\_\_\_\_  
Jozdimir Nikolic

\_\_\_\_\_  
Snazana Nikolic

Property of Cook County Clerk's Office

87548281

## COLLATERAL AGREEMENT TO SECURE GUARANTY

The undersigned hereby assigns, transfers and sets over unto FIRST NATIONAL BANK OF SKOKIE, Skokie, Illinois (hereinafter "Bank"), all the right, title and interest of the undersigned in and to the below described property; covenants that ownership and right of possession in and to said property in its entirety is absolute and unconditional and solely and exclusively in the undersigned; confirms that said property is actually delivered to Bank by the undersigned simultaneously with the execution hereof or by someone duly authorized, empowered and directed by the undersigned so to do; and confirms that the aforesaid assignment and transfer of said property, and said delivery thereof, are for the purpose of pledge to Bank by the undersigned to secure the full, punctual and faithful observance and performance of all the terms and provisions which, in this certain written Guaranty executed and delivered to you, some, if not all, of the undersigned, together with such other parties, if any, as may be signatory thereto, have undertaken to keep, observe and perform. The said pledge, and the purpose thereof, are hereby in all respects ratified and confirmed by the undersigned. The said written Guaranty is hereby made a part hereof and binding upon all of the undersigned as fully and to the same extent as if signed by each of them and then embodied at length herein.

Should said property decline in value so that it becomes inadequate security in the Bank's opinion, or should it become inadequate security in the Bank's opinion for any other reason, then, in either case, the undersigned covenants to pledge and deliver forthwith upon the Bank's demand, additional property of character, quality and amount satisfactory to the Bank.

Upon failure or refusal of any of the undersigned to fulfill and perform any one or more of the terms and provision of said instrument of Guaranty or to pledge and deliver additional property pursuant to the Bank's demand as hereinabove authorized, then, if such failure or refusal be not remedied, in either case, within five (5) days after the Bank's demand that the undersigned remedy the same, thereupon, or at any time or times thereafter, the Bank may sell, assign and deliver, and the Bank is hereby given full and irrevocable power and authority to sell, assign and deliver, the said property or any part thereof, and any substitute therefor and any addition thereto, at any Broker's Board, or at public or private sale, without notice, advertisement or demand of any kind to anyone without prejudice to any other remedies afforded by said instrument of Guaranty, and may apply the net proceeds, after deducting all costs and expenses for collection, sale and delivery, to the obligation of any one or more of the guarantors under said instrument of Guaranty, returning the residue to the undersigned, or any of them, on demand; the undersigned hereby agreeing to remain jointly and severally answerable for, and to pay forthwith, any liability or obligation under said instrument of Guaranty remaining unsatisfied and undischarged after such application. The Bank may purchase any of the said property at any such Broker's Board or public sale.

Each and every of the provisions hereof shall bind the undersigned, jointly and severally, and their respective heirs, executors, administrators, legal representatives, successors and assigns and shall inure to the benefit of the Bank and its successors and assigns, liberty being hereby granted the Bank to deliver the aforesaid property over to anyone to whom the benefits of the said

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## TRUSTEE'S RIDER

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them made and intended not as personal representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against the First National Bank of Skokie or any of the beneficiaries under said Trust Agreement, including the sequestering of any proceeds, monies or properties, on account of this instrument or on account of any representation, covenant, undertaking or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any being expressly waived and released.

DEPT-01  
110002 TRAM 0271 10/08/87 12:12:00  
40879 \*C \*--87-548281  
COOK COUNTY RECORDER

1 \$24.00

Cook County Clerk's Office

87548281

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24.00

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Property of Cook County Clerk's Office

87548281

87548281

10/15/11

10/15/11



UNOFFICIAL COPY MORTGAGE 87548281

This mortgage ("Security Instrument") is given on September 14, 1987. The mortgagor is the First National Bank of Skokie, not personally but as Trustee under the provisions of a deed or deeds in trust duly recorded and delivered to said Bank in pursuance of a Trust Agreement dated August 7, 1986 and known as Trust number 52189T (Borrower). This Security Instrument is given to First National Bank of Skokie, a National Banking Association, which is organized and existing under the laws of the United States of America and whose address is 8001 Lincoln Avenue, Skokie, Illinois 60077.

WHEREAS, the First National Bank of Skokie (herein "Lender") has issued a line of credit in the principal sum of SIX HUNDRED THOUSAND AND NO/100 dollars (\$600,000.00) to Quality Step Tool Corp, evidenced by a certain Note dated September 14, 1987 in the principal amount of \$600,000.00 and payable to Lender on Demand a copy of which is attached hereto as Exhibit "A"; and

WHEREAS, Jezdimir Nikolich and Snezana Nikolich (herein "Guarantors") have executed a Guaranty of said Loan from Lender to Quality Step Tool Corp. in the amount of \$600,000.00, a copy of which is attached hereto as Exhibit "B"; and

WHEREAS, The Guarantors are 100% owners of the Beneficial Interest as joint tenants with right of survivorship under the First National Bank of Skokie Trust Agreement dated August 7, 1986 and known as Trust Number 52189T; and

WHEREAS, it is a condition of said loan from the Lender to Quality Step Tool Corp. that the Borrowers collateralize said Guaranty of the aforesaid Loan, and the Guarantors have agreed to pledge their interest in the real estate commonly known as 7923 Beckwith, Morton Grove, IL, title to which is held by First National Bank of Skokie as Trustee under the provisions of a Trust Agreement dated August 7, 1986 and known as Trust Number 52189T, and have further executed a certain Collateral Agreement to Secure Guaranty dated concurrently herewith, a copy of which is attached hereto as Exhibit "C";

NOW THEREFORE, the Guarantors, to secure the repayment of said loan from Lender to Quality Step Tool Corp. in the principal amount of \$600,000.00 and interest thereon and all renewals, extensions, and modifications thereof, in accordance with the terms, provisions and limitations of said Loan and all other documents referenced therein and/or associated therewith, and to protect the security of this mortgage and the covenants and agreements of the Borrowers herein contained, and also in consideration of the sum of TEN DOLLARS in hand paid the receipt of which is hereby acknowledged, have by these presents directed the First National Bank of Skokie as Trustee under the provisions of a Trust Agreement dated August 7, 1986 and known as Trust Number 52189T to convey and warrant unto the Lender, its successors and assigns, and the First National Bank of Skokie as trustee under said trust does hereby mortgage, grant, and convey to lender the following described property located in Cook County, Illinois:

LOT 39 (EXCEPT THE NORTHWESTERLY 10 FEET THEREOF) AND THE NORTHWESTERLY 5 FEET OF LOT 38 IN FIRST ADDITION TO MORTON AIRE, BEING A SUBDIVISION OF PART OF THE NORTH WEST 1/4 OF SECTION 13, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

THIS IS A JUNIOR MORTGAGE.

This document was prepared by Paul A. Hartmann  
First National Bank of Skokie, 8001 Lincoln Avenue, Skokie, IL 60077

which has the address of ..... 7923 Beckwith ..... Morton Grove .....  
..... (Street) ..... (City) .....  
Illinois ..... 60053 ..... ("Property Address"); P.I.N. ....  
..... (Zip Code) ..... 09-13-109-025 CBO AD

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

MNL TO: PAUL A. HARTMANN  
FIRST NATH. BANK OF SKOKIE  
(Name)  
8001 LINCOLN AVE.  
(Address)  
SKOKIE, IL 60077

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# UNOFFICIAL COPY

Notary Public

GIVEN under my hand and Notarial Seal this 7th day of October 1987 and purposes therein set forth.

as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses to said Instrument, as his own free and voluntary act and

as custodian of the corporate seal of said Bank, did affix the seal of said Bank then and there acknowledged that said

and purposes therein set forth; and the said Secretary as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses

signed and delivered the said Instrument as their own free and voluntary act and respectively, appeared before me this day in person and acknowledged that they

(Title of Office) and Secretary

are subscribed to the foregoing Instrument as such Assistant Vice President (Title of Office)

of said Bank, who are personally known to me to be the same persons whose names National Banking Association and Richard M. Jung, Secretary

Assistant Vice President of FIRST NATIONAL BANK OF SKOKIE, a

In said County, in the State aforesaid, DO HEREBY CERTIFY THAT George J. Logan, I, Joseph E. Soshacki, a Notary Public in and for and residing

STATE OF ILLINOIS COUNTY OF COOK SS. Made Part Hereof.

SECRETARY (Title) See Trustee's Rider Attached Hereto and

and not personally, Attest: ASSISTANT VICE PRESIDENT (Title)

FIRST NATIONAL BANK OF SKOKIE, as Trustee as aforesaid

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:
- Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.
  - Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.
  - Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
  - Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.
  - Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. (Check applicable box(es))
    - Adjustable Rate Rider
    - Condominium Rider
    - Graduated Payment Rider
    - Planned Unit Development Rider
    - 2-4 Family Rider
    - Other(s) [specify]

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied, first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver or prejudice the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower who co-sign this Security Instrument but does not excuse the Note; (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property, under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument, and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodation with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limit, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded the permitted limit will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument and the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one confirmed copy of the Note and of this Security Instrument. Interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

17. Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstatement. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (i) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (ii) cures any default of any other covenants or agreements; (iii) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (iv) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstatement shall not apply in the case of acceleration under paragraph 13 or 17.

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