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WRAP MORTGAGE

THIS MORTGAGE ("Mortgage") executed this 21st day of November, 1989, by Charter Bank and Trust of Illinois, not personally but as Trustee under Trust Agreement dated October 12, 1989 and known as Trust No. 1390 (hereinafter called "Mortgagor") granted to KHS Land Partnership, an Illinois general partnership (hereinafter referred to as "Mortgagee").

WITNESSETH:

That for diverse, good and valuable consideration, and also in consideration of the principal sum of Five Million Two Hundred Thousand and no/100 Dollars (\$5,200,000.00), plus future advances, if any, not to exceed One Million and no/100 Dollars (\$1,000,000.00), for a total aggregate principal sum not to exceed Six Million Two Hundred Thousand and no/100 Dollars (\$6,200,000.00), as set forth in that certain promissory note from Mortgagor and Donogh Homes, Inc., an Illinois corporation ("Donogh") to Mortgagee of even date herewith, (either the "Purchase Money Note" or the "Note") the Mortgagor does hereby MORTGAGE, GRANT, REMISE, RELEASE, ALIEN, CONVEY and WARRANT unto the Mortgagee its successors and assigns, all that certain lot, piece or parcel of land (the "Property") lying and being in the City of Schaumburg, County of Cook, and State of Illinois, described in Exhibit "A" hereto attached and hereby made a part of this Mortgage.

TOGETHER WITH all and singular the tenements, hereditaments, easements, riparian or other rights and appurtenances thereunto belonging or in anywise appertaining, and the rights, if any, in all adjacent roads, ways, streams and alleys; and the reversion or reversions, remainder and remainders, rents, issues and profits thereof (which are pledged primarily and on a parity with said real estate and not secondarily); and also all the estate, right, title, interest, property, claim and demand whatsoever of the Mortgagor or, in and to the same and of, in and to every part and parcel thereof.

TOGETHER WITH all right, title and interest of the Mortgagor in and to all buildings, structures and other improvements now or hereafter erected, constructed or placed upon the above described Property, including all building, equipment and fixtures of every kind and nature (the "Improvements"); TOGETHER WITH all the rents, issues and profits thereof under present or future leases, or otherwise, which are hereby specifically assigned, transferred and set over to the Mortgagee;

TOGETHER WITH all leasehold estate(s), right, title and interest of Mortgagor in any ground lease(s) covering the above

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described Property or any portion thereof, now or hereafter existing or interest in, as well as to, any after acquired fee;

TOGETHER WITH any and all right, title and interest of Mortgagor to the proceeds of all insurance in effect with respect to the Premises (hereinafter defined) and to any and all awards of payments, including interest thereon and the right to receive the same which may be made with respect to the Premises as a result of (a) the exercise of the right of eminent domain; (b) the alteration of the grade of any street; or (c) any other injury to, taking of, or decrease in the value of, the Property to the extent of all amounts which may be secured by this Mortgage at the date or receipt of any such award or payment by Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such proceeds, award or payment, and the rights of Mortgagor under present or future contracts involving said property;

TO HAVE AND TO HOLD the above described and granted property, all of which are collectively referred to herein as the "Premises", unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth.

1. REAL ESTATE PURCHASE AGREEMENT.

This Mortgage is the Purchase Money Mortgage referred to in Paragraph 3 of that certain Real Estate Purchase Agreement (the "Real Estate Purchase Agreement") dated November 21, 1989 by and between Donogh, as purchaser, and Payee and American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated May 9, 1989 and known as Trust No. 108303-05 ("ANB Trust"), collectively as seller. The terms, provisions and conditions of the Real Estate Purchase Agreement are hereby incorporated by reference. Unless context clearly requires otherwise, all capitalized terms used herein, except proper nouns, words beginning a sentence, or words otherwise defined herein shall have the defined meaning set forth in the Real Estate Purchase Agreement. The aggregate principal balance hereof is comprised of three components, the Wetlands Principal, which is initially set at \$250,000.00, based upon \$62,500.00 times the aggregate number of lots (the "Wetlands Lots") which are estimated to be wholly or partially located within a Wetlands Area, the Detention Principal, which is initially set at \$625,000.00, based upon \$62,500.00 times the aggregate number of lots (the "Detention Lots") which are estimated to be wholly or partially located within a Detention Area, and the Purchase Money Principal, initially set at \$4,325,000.00, based upon \$5,200,000.00 minus the sum of the Wetlands Principal and the Detention Principal. Mortgagor and Mortgagee initially estimate, based upon the data available to them as of the date hereof, that the Detention Area shall contain approximately ten (10) Lots, to

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be located in an area of approximately 2.734 acres which area is described and depicted as Parcel 1 on the Plat of Survey of the Property dated November 14, 1989 and revised November 16, 1989 prepared by Edward J. Molloy & Associates, Ltd., a copy of which is attached hereto and made a part hereof as Exhibit "C". Further, based upon the data available as of the date hereof, Mortgagor and Mortgagee initially estimate that the Wetlands Area will contain approximately four (4) Lots, to be located in an area of approximately .568 acres, which area is described and depicted as Parcel 2 on Exhibit "C" hereto. Notwithstanding anything to the contrary set forth herein, except for the specific rights of setoff provided in the Note, incorporation by reference of the Real Estate Purchase Agreement shall not give rise to any setoff rights in Donogh or Mortgagor hereunder.

2. PAYMENTS UNDER THE NOTE.

Mortgagor shall pay the principal and interest and other sums of money, if any, payable by virtue of the Note and this Mortgage in three balloon payments promptly when and as due. The three components of the principal balance due under the Note are subject to adjustment as provided therein.

3. WRAP AROUND MORTGAGE.

3.1. This Mortgage is a "wrap around" mortgage, the principal balance of which includes a portion of the principal balance secured by the Mortgage, Fixture Filing and Security Agreement With Assignment of Cash Collateral dated May 18, 1989 executed by Mortgagee and ANB Trust in favor of Kemper, recorded in the Office of the Recorder of Deeds of Cook County, Illinois on May 22, 1989 as Document 89229748, which mortgage was amended by Modification of Note, Mortgage and Other Loan Documents dated as of September 1, 1989 and recorded on September 15, 1989 as Document 89434900, and further amended by Second Modification of Note, Mortgage and Other Loan Documents of even date herewith, and recorded on November ~~22~~, 1989 as Document ~~89558633~~ (as so amended referred to herein as the "Underlying Mortgage.") By acceptance of this Mortgage, Mortgagee covenants and agrees that, so long as payments are made under the terms of this Mortgage and the Note, to the extent thereof, and immediately upon receipt thereof, Mortgagee shall make all payments when and as due, payable with respect to the Underlying Mortgage. Mortgagee further covenants and agrees to keep and perform any and all terms, conditions and covenants of mortgagor with respect to the balance of the property encumbered thereby under the terms of the Underlying Mortgage. Contemporaneous with the balloon payment of Purchase Money Principal, and interest thereon, if any, due under the terms of the Note, Mortgagee shall obtain and deliver to the Mortgagor a release of the Underlying Mortgage with respect to the Premises.

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3.2. So long as Mortgagee has not defaulted in its obligations to make or cause such payments to be made, the Mortgagor shall not be entitled to make any direct payments with respect to the Underlying Mortgage. In the event Mortgagee fails to make such payments, the Mortgagor shall thereafter be entitled to make such payments directly to the holder of the Underlying Mortgage.

3.3. In the event that (1) Mortgagee defaults in its obligations to make the payments due and payable with respect to the Underlying Mortgage; and (2) the Mortgagor makes such payments due and payable with respect to the Underlying Mortgage directly to the holder thereof, then, in addition to all other remedies available at law or at equity, the Mortgagor shall be entitled to an offset against future amounts due and payable hereunder as provided by the Note, first to be applied against accrued interest, if any, and the balance against principal, in an amount equal to 100% of the amount of such payment made directly to the holder of the Underlying Mortgage.

3.4. By acceptance of this Mortgage, Mortgagee covenants and agrees that, Mortgagee shall not renegotiate, alter, amend, change, extend or modify the terms of the Underlying Mortgage with respect to the Premises without the prior written consent of Mortgagor, which shall not be unreasonably withheld. Any mortgage delivered by Mortgagee or ANB Trust which replaces, alters, amends, changes or extends the terms of the Underlying Mortgage is hereinafter referred to as the "Underlying Mortgage."

3.5. Mortgagor hereby represents and warrants that, other than the obligation to pay principal and interest, Mortgagor will keep and perform any and all terms, conditions and covenants of mortgagor with respect to the Premises under the terms of the Underlying Mortgage.

4. REPRESENTATIONS, COVENANTS AND AGREEMENTS OF MORTGAGOR.

The Mortgagor represents, covenants, and agrees with the Mortgagee as follows:

4.1. Title. Except as specifically set forth herein, Mortgagor has good and insurable fee simple title to the Property and is lawfully seized and possessed of the same, and has the full power, authority and right to convey the same and to execute and deliver this Mortgage.

4.2. Payment of Secured Obligations. Mortgagor will punctually pay, in lawful money of the United States, all sums due Mortgagee at the time and in the manner mentioned in the Notes, this Mortgage, or any document evidencing a future advance or any other instrument evidencing and/or securing the indebtedness secured hereby.

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4.3. Insurance Premiums and Taxes. Mortgagor will pay, when due and payable, all premiums on insurance policies required to be carried under the terms of this Mortgage, as well as all taxes, assessments (general or special) and other charges levied on, or assessed, placed or made against the Premises, from and after the Closing Date. Mortgagor shall have the right to contest any taxes or assessments, provided that Mortgagee is furnished with adequate security, and that said contest does not result in a forfeiture or sale of the Premises.

4.4. Insurance Coverage. Mortgagor shall keep and maintain comprehensive general liability insurance against claims for bodily injury, death and property damage occurring in or about the Premises. Such insurance shall afford minimum protection of \$2,000,000.00 with respect to personal injury or death occurring or resulting from one occurrence, and \$500,000 with respect to property damage.

4.5. No Liens. Mortgagor shall not permit any mechanic's, laborer's or materialmen's liens to stand against the Premises. If any such lien shall at any time be recorded against the Premises, then Mortgagor shall (i) give written notice thereof promptly to Mortgagee and (ii) cause the same to be discharged or otherwise secured within sixty (60) days after the date of recording of the same, either by payment, title insurance, letter of credit or other security, deposit or bonds. If Mortgagor fails to discharge or otherwise secure any such lien within such period, then Mortgagee, in addition to any other right or remedy hereunder, shall have the option (but not the obligation) to procure the discharge of such lien. Mortgagor shall have the right to contest any such lien provided adequate security is furnished to the Mortgagee. Any amount paid or deposited by Mortgagee to discharge such lien, and all costs and other expenses, including all reasonable attorney's fees, incurred in defending any action to foreclose such lien, shall be deemed a part of the indebtedness secured hereby and shall be immediately due and payable, without demand. The Cook County Highway Department may undertake certain construction and undercutting of poor soil on the Property, and provided that Mortgagor protect Mortgagee against mechanics liens which may result thereby, as provided herein or in the Underlying Mortgage, such construction is hereby consented to by Mortgagee.

5. DEFAULTS AND REMEDIES.

5.1. Events of Default. The term "Default," as used in this Mortgage, shall mean the occurrence of any one or more of the following events:

(a) Payments. The failure of Mortgagor to make any payment according to the tenor and effect of the Note secured hereby, or any part thereof, or any failure to make any other

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payment of the principal, or interest, if any, on the Note, or payment of any other sums secured hereby, including but not limited to taxes or insurance premiums, when and as the same shall become due and payable, whether at maturity, by acceleration, or otherwise as in the Note and this Mortgage provided, which is not cured by Mortgagor within ten (10) days following written notice thereof to Mortgagor; or

(b) Performance. The failure of Mortgagor to punctually and properly perform any other covenant, condition, representation, warranty or agreement contained in this Mortgage or the Note, or in any other document given or delivered in connection with the loan evidenced by the Note which is not cured within thirty (30) days after notice thereof, provided, however that Mortgagor shall not be in default if such default cannot be cured within said thirty (30) day period and Mortgagor promptly commences and diligently proceeds in good faith to cure such default; or

(c) Bankruptcy and Related Proceedings. The filing of a proceeding in bankruptcy or arrangement or reorganization by or against Donogh pursuant to the Federal Bankruptcy Act or any similar law, federal or state; which in the event of any such involuntary proceeding, is not vacated within 90 days after the institution thereof.

(d) Other Legal Proceedings. A writ of execution or attachment or any similar process shall be issued or levied against all or any part of or any interest in the Premises, and such execution, attachment or similar process is not released, bonded, satisfied, vacated or stayed within thirty (30) days after its entry or levy; or

5.2 Remedies. If any event of default shall have occurred and/or be continuing, Mortgagee, at its option, shall have, in addition to any rights at law or in equity, each and all of the following rights and remedies, which may be exercised individually, collectively or cumulatively:

(a) Acceleration. Mortgagee shall have the right to declare the indebtedness evidenced by the Purchase Money Note secured hereby to be immediately due and payable and the same shall thereupon become immediately due and payable without any presentment, demand, protest or notice of any kind.

(b) Management. Mortgagee may, upon bringing any action or proceeding, in person or by agent or employee, or by a receiver appointed by a court of competent jurisdiction, enter upon and take possession of all or any part of the Premises, excluding the Mortgagor and its agents and servants wholly therefrom. Upon every such entry, the Mortgagee, personally or by its agents or in the name of Mortgagor, at the expense of the

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Mortgagor, from time to time, may maintain and restore the Premises, whereof it shall become possessed as aforesaid; and likewise, from time to time, at the expense of the Mortgagor, the Mortgagee may make all necessary or proper repairs, renewals and replacements thereon as to it may seem advisable or necessary to preserve the value, marketability or rentability of the Premises; and in every such case the Mortgagee shall have the right to manage, control and operate the Premises and may make, cancel, modify or enforce leases, obtain and evict tenants, rent and lease the same to such persons, for such periods of time, and on such terms and conditions as Mortgagee in its commercially reasonable discretion may determine, and with or without taking possession of the Premises, may sue for or otherwise collect any and all of the rents, issues and profits thereof, including those past due and unpaid and apply the same, less costs and expenses of management, operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, all in such order as Mortgagee may determine. In dealing with the Premises as a Mortgagee in, or not in, possession, Mortgagee shall be without any liability, charge, or obligation therefor to Mortgagor other than for gross negligence or willful misconduct, and shall be entitled to operate any business then being conducted or which could be conducted thereon or therewith at the expense of and for the account of Mortgagor to the same extent as the owner thereof could operate such business. The entering upon and taking possession of the Premises, the collection of such rents, issues and profits and the application thereof as aforesaid shall not cure or waive any default or notice of default under this Mortgage or invalidate any act done in response to any such default or pursuant to any such notice and, notwithstanding the continuance of rents, issues and profits, Mortgagee shall be entitled to enforce every right and exercise every remedy provided for in any of the loan documents or by law upon the occurrence of any event of default.

(c) Advances. In the event of the noncompliance of any duty or duties required of the Mortgagor under the terms of this Mortgage or the occurrence of any event which, in the reasonable judgment of the Mortgagee, impairs the value of the Premises herein taken as security for the indebtedness, the Mortgagee reserves the right, at its own election, to advance sufficient funds to accomplish said performance or maintain such security. Said sums, on notice from Mortgagee, shall become immediately due and repayable to Mortgagee. In default of such payment, the amount advanced will be added to the outstanding principal balance and will bear interest at the default rate of interest set forth in the Note.

(d) Legal Proceedings. Mortgagee, with or without entry, personally or by its agent or attorneys, insofar as applicable may:

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(i) institute proceedings for the complete or partial foreclosure of this Mortgage and the proceeds of any foreclosure sale shall be applied to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the Default Rate stated in the Note; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto; and/or

(ii) the Mortgagee shall have the right from time to time to enforce any legal or equitable remedy against the Mortgagor and to sue for any sums, whether interest, damages for failure to pay principal or any installment thereof, taxes, installments of principal, or any other sums required to be paid under the terms of this Mortgage, as the same become due, without regard to whether or not the principal sum secured or any other sums secured by the Notes and Mortgage shall be due, and without prejudice to the right of the Mortgagee thereafter to enforce any appropriate remedy against the Mortgagor including an action of foreclosure, or any other action, for a Default or Defaults by the Mortgagor existing at the time such earlier action was commenced; and/or

(iii) Mortgagee may enforce its rights, whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Note or in this Mortgage contained, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as the Mortgagee shall deem most advisable to protect and enforce any of its rights hereunder or under the Note and other loan documents.

(e) Appointment of Receiver. If an event of Default under this Mortgage occurs and is continuing, Mortgagee, as a matter of right shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Premises, and Mortgagor hereby irrevocably consents to such appointment. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar properties including the power to collect the rents, issues and profits of the Premises during the pendency of a foreclosure suit, and in case of a sale and a deficiency during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits. The court having jurisdiction may authorize the receiver to apply the net income in his hands to payment in whole or in part to (a) the indebtedness secured hereby, or by any decree foreclosing this mortgage, or any tax, special assessment

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or other lien which may be or become superior to the lien hereof or such decree, provided such application is made prior to foreclosure sale; and (b) to the deficiency in case of a sale and deficiency. Said receiver shall continue as such and exercise all such powers until the date of sale of the Premises, unless such receivership is sooner terminated. The Mortgagee hereunder or any holder of the Note may be appointed as such receiver.

(f) Remedies not Exclusive. The cumulative rights of the Mortgagee arising under the clauses and covenants contained in this Mortgage shall be separate, distinct and cumulative and none of them shall be construed to be exclusive nor an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding. In addition to any remedies provided herein for Default hereof, Mortgagee shall have all other remedies allowed under the laws of the State of Illinois, and the laws of the United States. No failure on the part of Mortgagee to exercise any of its rights hereunder arising upon any Default shall be construed to prejudice its rights in the event of any other or subsequent Default. No delay on the part of Mortgagee in exercising any of such rights shall be construed to preclude it from the exercise thereof at any time during the continuance of such Default. Mortgagee may enforce any one or more remedies or rights hereunder in such order and manner as it may determine, successively or concurrently at its option. By accepting payment or partial payment of any sums secured hereby after its due date, Mortgagee shall not make an accommodation or thereby waive the agreement herein contained that time is of the essence, nor shall Mortgagee waive either any of its remedies or options or its right to require prompt payment when due of all sums secured or to consider failure so to pay a Default hereunder. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee.

6. EMINENT DOMAIN; CONDEMNATION AWARDS.

6.1. Notice. In the event that the Premises, or any part thereof, shall be taken in condemnation proceedings or by exercise of any right of eminent domain or by conveyance(s) in lieu of condemnation (hereinafter called collectively, "condemnation proceedings"), or should Mortgagor receive any notice or information regarding any such proceeding, Mortgagor shall give prompt written notice thereof to Mortgagee. Mortgagor and Mortgagee shall have the right to participate in any such condemnation proceedings and the proceeds thereof shall be distributed in the manner set forth in this Section 6. Mortgagor agrees to execute any and all further documents that may be

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required in order to facilitate collection of any award or awards and the making of any such deposit.

6.2. Total Taking. If at any time during the term of this Mortgage title to the whole or substantially all of the Premises shall be taken in condemnation proceedings or by agreement between Mortgagor, Mortgagee and those authorized to exercise such right, Mortgagee shall apply such award or proceeds which it receives first to pay the actual costs, fees and expenses, if any, incurred in connection with the collection of the award, and second to full payment of all remaining indebtedness secured by this Mortgage, and any excess award funds then remaining after payment of the indebtedness in full shall be paid to Mortgagor. In the event that the amount of the award or proceeds received by Mortgagee shall not be sufficient to pay in full the then unpaid balance of the said indebtedness, with the accrued interest thereon, Mortgagor shall, within ten (10) days after the application of the award or proceeds as aforesaid, pay such deficiency to Mortgagee. For the purposes of this Section, "substantially all of the Premises" shall be deemed to have been taken if the portion of the Premises not so taken cannot in the reasonable opinion of Mortgagor, be profitably developed and subdivided for single family residential use.

6.3. Partial Taking. If at any time during the term of this Mortgage title to less than the whole or substantially all of the Premises shall be taken as aforesaid, such proceeds shall be applied first to pay the actual cost, fees and expenses, if any, incurred in connection with the collection of the award, and the balance shall be paid over to Mortgagee and applied in reduction of the indebtedness secured hereby, and any excess award funds then remaining after payment of the indebtedness in full shall be paid to Mortgagor. Notwithstanding the foregoing, in the event the portion of the Premises so taken does not contain the Detention Area and/or Wetlands Area, no portion of the Detention Principal and/or Wetlands Principal, as the case may be, shall be payable to Mortgagee from any such award.

7. PREPAYMENT.

The Note may be prepaid in whole or in part, at any time without penalty.

8. COMPLY WITH AGREEMENTS.

Mortgagor shall perform, comply with and abide by each and every one of the stipulations, agreements, conditions and covenants in the Note and in this Mortgage set forth. The terms of the Underlying Mortgage with respect to the Premises are incorporated herein by reference in their entirety, and are and except as provided below shall be deemed the terms of this Mortgage as if Mortgagee and Mortgagor herein were Mortgagee and

Mortgagor, respectively, thereunder, except than nothing contained herein shall be deemed to require Mortgagor to make any payments of principal and interest due thereunder and the terms of the Underlying Mortgage incorporated herein shall not be deemed to include any covenant or agreements on the part of Mortgagor thereunder contained in the Loan Agreement described therein. Except as above set forth, Mortgagor hereby covenants and agrees to keep, perform, and be bound by all of the stipulations, agreements, conditions and covenants of Mortgagor under the terms of the Underlying Mortgage with respect to the Premises. In the event of a conflict between the terms hereof and the terms of the Underlying Mortgage, the terms of the Underlying Mortgage shall prevail. So long as Mortgagor is not in default hereunder, nothing in the foregoing shall be deemed to relieve Mortgagee of its obligations to pay principal, interest, default interest penalties, or late charges due under the Underlying Note.

9. PARTIAL RELEASE.

The Property consists of approximately thirty-five (35) acres located in Schaumburg, Cook County, Illinois, which together with the property legally described on Exhibit "B" hereto is to be subdivided by Mortgagor into single-family residential lots (individually a "Lot and collectively the "Lots") to be known as Essex Club Subdivision. The lien of this Mortgage will be released by three (3) separate partial release deeds. Certain of the Lots will be located within either a Wetlands Area or Detention Area, as defined in the Real Estate Purchase Agreement. The Wetlands Principal and the Detention Principal are not due and payable until the satisfaction by Mortgagee of certain conditions set forth in the Note, and the Purchase Money Principal is due and payable thirty (30) days following Preliminary Approval, as set forth in the Note. Those Lots located wholly or partially within a Wetlands Area or Detention Area shall remain subject to the lien of this Mortgage until the payment of the Wetlands Principal or Detention Principal, respectively, or notwithstanding anything to the contrary contained herein or in the Note, in the event that the Wetlands Notice and/or Detention Notice are not received by Mortgagor on or before November 15, 1992, the Wetlands Principal and accrued interest thereon, if any, and/or the Detention Principal shall be forgiven, and the lien of this Mortgage with respect to the Wetlands Lots and/or Detention Lots, respectively, shall be released. Mortgagor and Mortgagee initially estimate, based upon the data available to them as of the date hereof, that the Detention Area shall contain approximately ten (10) Lots to be located in an area of approximately 2.734 acres which area is described and depicted as Parcel 1 on the Plat of Survey of the Property dated November 14, 1989 and amended November 16, 1989 prepared by Edward J. Molloy & Associates, Ltd., a copy of which is attached hereto and made a part hereof as Exhibit "C".

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Further, based upon the data available as of the date hereof, Mortgagor and Mortgagee initially estimate that the Wetlands Area will contain approximately four (4) Lots, to be located in an area of approximately .568 acres, which area is described and depicted as Parcel 2 on Exhibit C hereto.

The balance of the Property encumbered by this Mortgage (the "Encumbered Property"), shall be released by Mortgagee upon payment of the Purchase Money Principal, and the interest due thereon, if any, on the Due Date thereof. Mortgagee, by acceptance hereof, hereby agrees to issue the partial releases set forth above with respect to the Encumbered Property, Wetland lots and Detention lots. Mortgagee hereby agrees to provide, within five (5) days following written notice thereof from Mortgagor, a partial release of the Encumbered Property, Wetlands Lots and/or Detention Lots, as appropriate, or a pay off letter sufficient to allow Chicago Title Insurance Company to insure Mortgagor's title to the Encumbered Property, Wetlands Lots and/or Detention Lots, as appropriate, free and clear of this Mortgage, in exchange for the appropriate principal payment. In addition, on the Due Date of the Purchase Money Principal, Mortgagee agrees to provide a release of the Underlying Mortgage with respect to the Premises. Such release, or payoff letter sufficient to allow Chicago Title Insurance company to insure Mortgagor's title to the Premises free and clean of the Underlying Mortgage shall be a condition precedent of the payment of the Purchase Money Principal, and accrued interest thereon, by Mortgagor. At such time as the final release is issued hereunder, Mortgage shall execute and deliver a release deed for all of the Premises to Mortgagor.

10. NOTICES.

(a) Mortgagee agrees that it shall promptly deliver to Mortgagor, upon receipt, copies of all notices demands or communications received from the holder of the Underlying Mortgage.

(b) All notices, requests, demands and other communications hereunder shall be addressed to the following:

As to Mortgagee: c/o The Hassinger Companies
300 Park Blvd., Suite 515
Itasca, Illinois 60143
Attn: William Laytin, Esq.

with a copy to: Wildman, Harrold, Allen & Dixon
One IBM Plaza, Suite 3000
Chicago, Illinois 60611
Attn: Alan B. Roth, Esq.

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As to Mortgagor: c/o Donogh Homes, Inc.
2500 W. Higgins Rd.
Suite 1160
Hoffman Estates, Illinois 60195
Attn: Patrick A. Taylor, President

with a copy to: Sachnoff & Weaver, Ltd.
30 S. Wacker Dr., Suite 2900
Chicago, IL 60606
Attn: Scott D. Gudmundson, Esq.

All notices shall be in writing, shall be personally delivered by air courier or other delivery service or mailed by certified or registered mail and shall be deemed delivered on the earlier of (i) the date actually received, or (ii) three days after being deposited in the United States mail.

11. SUCCESSORS AND ASSIGNS.

The provisions contained in this Mortgage are binding upon and inure to the benefit of the heirs, successors and assigns of Mortgagor and Mortgagee. Mortgagee by the acceptance and recordation of this Mortgage, has agreed to the terms and conditions contained in this mortgage.

12. MISCELLANEOUS.

(a) This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

(b) In the event any one or more of the provisions of this Mortgage shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event any one or more of the provisions of this Mortgage operate or would respectively operate to invalidate this Mortgage, then, in either of such events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Mortgage and the remaining provisions of this Mortgage shall remain operative and in full force and effect.

13. SUBORDINATION.

This Mortgage is subject and subordinate to the Underlying Mortgage and to all renewals, extensions, modifications, releases, increases, increases in interest rate and future advances thereunder.

14. TRUST EXCULPATION.

This Mortgage is executed by the Charter Bank and Trust of Illinois, not personally or individually, but as Trustee under Trust Agreement dated October 12, 1989 and known as Trust No.

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1386 in the exercise of the power and authority conferred upon and vested in it as such Trustee. All the terms, conditions and covenants to be performed by Charter Bank and Trust of Illinois hereunder are undertaken by it solely as Trustee, as aforesaid, and not individually, and no personal liability shall be asserted or be enforceable against Charter Bank and Trust of Illinois to perform any covenant, express or implied, but such covenants are only intended to bind the property of the Trust.

In Witness Whereof, Mortgagor has caused these presents to be executed on the day and year first hereinabove written.

Charter Bank and Trust of Illinois,
not personally but as Trustee under
Trust Agreement dated October 12,
1989, and known as Trust No. 1390

By: *John J. [Signature]* President

Attest: *Robert H. [Signature]*
Secretary

THIS DOCUMENT PREPARED BY:

Scott D. Gudmundson
Sachnoff & Weaver, Ltd.
30 South Wacker Drive
Suite 2900
Chicago, IL 60606

UPON RECORDATION RETURN TO:

Wildman, Harrold, Allen & Dixon
One IEM Plaza, Suite 3000
Chicago, Illinois 60611
Attn: Alan B. Roth, Esq.

BOX 333 - TH

EXHIBIT A35 Acre Legal Description

THAT PART OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE WEST LINE OF SAID NORTHEAST 1/4 WITH A LINE 564.00 FEET, AS MEASURED AT RIGHT ANGLES, SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID NORTHEAST 1/4; THENCE NORTH 86 DEGREES 37 MINUTES 14 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, 736.41 FEET TO A POINT FOR A PLACE OF BEGINNING; THENCE CONTINUING NORTH 86 DEGREES 37 MINUTES 14 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, 125.53 FEET TO AN INTERSECTION WITH A LINE DRAWN AT RIGHT ANGLES TO THE NORTH LINE OF SAID NORTHEAST 1/4 FROM A POINT ON SAID NORTH LINE, 821.31 FEET, AS MEASURED ALONG SAID NORTH LINE, EAST OF THE NORTHWEST CORNER OF SAID NORTHEAST 1/4; THENCE NORTH 03 DEGREES 22 MINUTES 46 SECONDS WEST ALONG SAID LAST DESCRIBED RIGHT ANGLE LINE, 176.00 FEET; THENCE NORTH 86 DEGREES 37 MINUTES 14 SECONDS EAST PARALLEL WITH THE NORTH LINE OF SAID NORTHEAST 1/4, 304.93 FEET; THENCE SOUTHEASTERLY ALONG A CURVED LINE CONVEX NORTHEASTERLY AND HAVING A RADIUS OF 250.00 FEET, AN ARC DISTANCE OF 80.36 FEET TO A POINT OF TANGENCY (THE CHORD OF SAID ARC BEARS SOUTH 69 DEGREES 21 MINUTES 15 SECONDS EAST, 80.01 FEET); THENCE SOUTH 60 DEGREES 08 MINUTES 40 SECONDS EAST ALONG A LINE TANGENT TO SAID LAST DESCRIBED CURVED LINE AT SAID LAST DESCRIBED POINT, 138.15 FEET TO A POINT ON THE EAST LINE OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, 497.66 FEET, AS MEASURED ALONG SAID EAST LINE, SOUTH OF THE NORTHEAST CORNER OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE SOUTH 00 DEGREES 52 MINUTES 50 SECONDS WEST ALONG THE EAST LINE OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, 841.09 FEET TO THE SOUTHEAST CORNER OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE SOUTH 00 DEGREES 52 MINUTES 50 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, 299.36 FEET TO A POINT ON SAID EAST LINE, 370.00 FEET, AS MEASURED ALONG SAID EAST LINE, NORTH OF THE SOUTHEAST CORNER OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE SOUTH 24 DEGREES 47 MINUTES 17 SECONDS WEST, 418.35 FEET TO A POINT ON THE SOUTH LINE OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, 170.00 FEET, AS MEASURED ALONG SAID SOUTH LINE, WEST OF THE SOUTHEAST CORNER OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE SOUTH 86 DEGREES 40 MINUTES 38 SECONDS WEST ALONG THE SOUTH LINE OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, 1126.74 FEET TO AN INTERSECTION WITH A LINE 50.00 FEET, AS MEASURED AT RIGHT ANGLES, EAST OF AND PARALLEL WITH THE WEST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE NORTH 00 DEGREES 44 MINUTES 31 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, 668.83 FEET TO THE NORTH LINE OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE CONTINUING NORTH 00 DEGREES 44 MINUTES 31 SECONDS EAST ALONG SAID

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LAST DESCRIBED PARALLEL LINE, 202.20 FEET; THENCE SOUTH 89 DEGREES 15 MINUTES 29 SECONDS EAST AT RIGHT ANGLES TO SAID LAST DESCRIBED PARALLEL LINE, 729.14 FEET TO AN INTERSECTION WITH A LINE DRAWN AT RIGHT ANGLES TO THE NORTH LINE OF SAID NORTHEAST 1/4 AND PASSING THROUGH THE AFOREDESCRIBED POINT OF BEGINNING; THENCE NORTH 03 DEGREES 22 MINUTES 46 SECONDS WEST ALONG SAID LAST DESCRIBED RIGHT ANGLE LINE, 620.93 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Permanent Index Number: 07-23-200-002
07-23-200-003
07-23-201-001

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EXHIBIT B

10 Acre Legal Description

THAT PART OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE WEST LINE OF SAID NORTHEAST 1/4 WITH A LINE 564.00 FEET, AS MEASURED AT RIGHT ANGLES, SOUTH OF AND PARALLEL WITH THE NORTH LINE OF SAID NORTHEAST 1/4; THENCE NORTH 86 DEGREES 37 MINUTES 14 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, 736.41 FEET; THENCE SOUTH 03 DEGREES 22 MINUTES 46 SECONDS EAST AT RIGHT ANGLES TO SAID LAST DESCRIBED NORTH LINE, 620.93 FEET; THENCE NORTH 89 DEGREES 15 MINUTES 29 SECONDS WEST AT RIGHT ANGLES TO THE WEST LINE OF SAID NORTHEAST 1/4, 729.14 FEET TO AN INTERSECTION WITH A LINE 50.00 FEET, AS MEASURED AT RIGHT ANGLES, EAST OF AND PARALLEL WITH THE WEST LINE OF SAID NORTHEAST 1/4; THENCE NORTH 00 DEGREES 44 MINUTES 31 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, 273.60 FEET TO THE NORTH LINE OF LAND CONVEYED TO THE COUNTY OF COOK BY WARRANTY DEED RECORDED JUNE 29, 1977 AS DOCUMENT NO. 24045390; THENCE NORTH 89 DEGREES 15 MINUTES 29 SECONDS WEST ALONG SAID LAST DESCRIBED NORTH LINE, 50.00 FEET TO THE WEST LINE OF SAID NORTHEAST 1/4; THENCE NORTH 00 DEGREES 44 MINUTES 31 SECONDS EAST ALONG SAID LAST DESCRIBED WEST LINE, 292.79 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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EXHIBIT C

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Detention Parcel Legal Description

THAT PART OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE SOUTH 00 DEGREES 52 MINUTES 50 SECONDS WEST ALONG THE EAST LINE OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, 299.38 FEET TO A POINT ON SAID EAST LINE, 370.00 FEET, AS MEASURED ALONG SAID EAST LINE, NORTH OF THE SOUTHWEST CORNER OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE SOUTH 24 DEGREES 47 MINUTES 17 SECONDS WEST, 77.73 FEET (A SOUTHWESTERLY EXTENSION OF SAID LAST DESCRIBED LINE INTERSECTS THE SOUTH LINE OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, AT A POINT 170.00 FEET, AS MEASURED ALONG SAID SOUTH LINE, WEST OF THE SOUTHWEST CORNER OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23); THENCE NORTH 66 DEGREES 36 MINUTES 37 SECONDS WEST, 135.12 FEET; THENCE NORTHERLY ALONG A CURVED LINE CONVEX EASTERLY AND HAVING A RADIUS OF 280.00 FEET, AN ARC DISTANCE OF 110.00 FEET TO A POINT OF TANGENCY WITH A LINE 135.00 FEET, AS MEASURED AT RIGHT ANGLES, WEST OF AND PARALLEL WITH THE EAST LINE OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 23 (THE CHORD OF SAID ARC BEARS NORTH 12 DEGREES 08 MINUTES 06 SECONDS EAST, 109.29 FEET); THENCE NORTH 00 DEGREES 52 MINUTES 50 SECONDS EAST ALONG SAID LAST DESCRIBED PARALLEL LINE, BEING TANGENT TO SAID LAST DESCRIBED CURVED LINE AT SAID LAST DESCRIBED POINT, 741.70 FEET; THENCE SOUTH 89 DEGREES 07 MINUTES 10 SECONDS EAST, 135.00 FEET TO THE EAST LINE OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE SOUTH 00 DEGREES 52 MINUTES 50 SECONDS WEST ALONG SAID LAST DESCRIBED EAST LINE, 530.19 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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EXHIBIT C

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Wetlands Parcel Legal Description

THAT PART OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23 WITH A LINE 50.00 FEET, AS MEASURED AT RIGHT ANGLES, EAST OF AND PARALLEL WITH THE WEST LINE OF THE NORTHEAST 1/4 OF SAID SECTION 23; THENCE NORTH 86 DEGREES 40 MINUTES 38 SECONDS EAST ALONG THE SOUTH LINE OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 23, 602.00 FEET; THENCE NORTH 03 DEGREES 19 MINUTES 22 SECONDS WEST AT RIGHT ANGLES TO SAID LAST DESCRIBED LINE, 37.00 FEET TO A POINT FOR A PLACE OF BEGINNING; THENCE NORTH 43 DEGREES 19 MINUTES 22 SECONDS WEST, 115.00 FEET; THENCE NORTH 46 DEGREES 40 MINUTES 38 SECONDS EAST, 215.00 FEET; THENCE SOUTH 43 DEGREES 19 MINUTES 22 SECONDS EAST, 115.00 FEET; THENCE SOUTH 46 DEGREES 40 MINUTES 38 SECONDS WEST, 215.00 FEET; TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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