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COLE TAYLOR BANK/SKOKIE

CONSTRUCTION MORTGAGE

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THIS MORTGAGE is dated as of December 23, 1988, and is executed by Roger J. Kobusch, Jr. ("Mortgagor") in favor of Cole Taylor Bank/Skokie ("Mortgagee"). Mortgagor's address is 3180 N. Lake Shore Drive, Chicago, Illinois 60657, and Mortgagee's address is 4400 Oakton Street, Skokie, Illinois 60076.

WITNESS: Mortgagor has executed a promissory note dated December 23, 1988, ("Note") payable to the order of the Mortgagee in the principal amount of \$300,000.00 with interest at the per annum rate of one percent (1%) in excess of the Prime Rate (defined in the Note) and, after Default (defined in the Note) or Maturity, at the per annum rate of four percent (4%) in excess of the Prime Rate. The Note with accrued and unpaid interest is payable on December 23, 1989, unless the Note shall become due earlier whether by acceleration or otherwise. The proceeds of the Note will be advanced in multiple disbursements to Mortgagor by Mortgagee for financing the cost of construction of certain improvements on the premises (defined below). The lien of this Mortgage secures payment of any existing indebtedness, and future advances made pursuant to the Note to the same extent as if such future advances were made on the date of execution of this Mortgage without regard to whether or not there is any advance made at the time this Mortgage is executed and without regard to whether or not there is any indebtedness outstanding at the time any advance is made.

GRANT OF MORTGAGE

1.1 To secure payment of the indebtedness evidenced by the Note, including any future advances thereunder and any renewals or extensions thereof, the Liabilities (defined below) and the performance of the covenants and agreements of Mortgagor hereunder, Mortgagor does by the presents CONVEY, WARRANT and MORTGAGE unto Mortgagee, all of the Mortgagor's estate, right, title and interest in the real estate situated, lying and being in the County of Cook, and State of Illinois, legally described on attached Exhibit A and made part hereof, which is referred to herein as the "Premises", together with all improvements, buildings, tenements, hereditaments, appurtenances, water, gas oil, minerals, and easements located in, on over or under the Premises, and all types and kinds of furniture, fixtures, apparatus, machinery and equipment, including without limitation, all of the foregoing used in any construction on the Premises or to supply heat, gas, air conditioning, water, light, power, refrigeration or ventilation (whether single units or centrally controlled) and all screens, window shades, storm doors and window, floor coverings, awnings, stoves and water heaters, whether now on or in the Premises or hereafter erected, installed or placed on or in the Premises, and whether or not physically

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PLEASE ATTACH THIS INSTRUMENT TO THE MORTGAGE

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attached to the Premises. The foregoing items are and shall be deemed a part of the Premises and a portion of the security for the Liabilities as between the parties hereto and all persons claiming by, through or under them.

1.2 Further, Mortgagor does hereby pledge, assign, transfer, deliver and grant to Mortgagee all of Mortgagor's right, title and interest in and to all general intangibles relating to the development or use of the Premises, including but not limited to all governmental permits relating to construction on the Premises, all names under or by which the Premises or any improvements on the Premises may at any time be operated or known, and all rights to carry on business under any such names or any variant thereof, and all trademarks and goodwill in any way relating to the Premises.

1.3 Further, Mortgagor does hereby pledge, assign, deliver and grant to Mortgagee all of Mortgagor's right, title and interest in and to all proceeds of the conversion, voluntarily or involuntarily, of the Premises or any part thereof into cash or liquidated claims, including without limitation, proceeds of insurance and condemnation awards.

1.4 Further, Mortgagor does hereby pledge, assign, transfer, deliver and grant to Mortgagee all leases, written or verbal, rents, issues and profits of the Premises, including without limitation, any lease to Geno Gusti Company, Inc., whether now existing or hereafter arising, and including without limitation, all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing, and all deposits of money as advance rent or for security for damage or default, under any and all present and future leases of the Premises, together with the right, but not the obligation, to collect, receive, demand, sue for and recover the same when due or payable. Mortgagee by acceptance of this Mortgage agrees, as a personal covenant applicable to Mortgagor only and not as limitation or condition hereof and not available to anyone other than Mortgagor, that until a Default or any event shall occur which under the terms hereof shall give to Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive and enjoy such avails.

1.5 Further, Mortgagor does hereby expressly waive and release all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois.

MORTGAGOR COVENANTS and REPRESENTATIONS

While any of the Liabilities remain outstanding, Mortgagor represents, warrants, covenants and agrees as follows:

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2.1 Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste, and, except for this Mortgage, free from any encumbrances, security interests, liens, mechanics' liens or claims for lien and any other claims or demands against Mortgagor's title to the Premises; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises and upon request exhibit satisfactory evidence of the discharge of such lien or charge to Mortgagee; (d) complete in a good and workmanlike manner using new materials of first class quality and within a reasonable time any building or improvement now or at any time in process of construction upon the Premises; (e) comply and cause any tenant of the Premises to comply with all requirements of all laws or municipal ordinances with respect to the construction maintenance or use of the Premises or sales of lots comprising the Premises; (f) make no material alterations in the Premises, except as required by law or municipal ordinance, unless such alterations have been previously approved in writing by Mortgagee; (g) refrain from impairing or diminishing the value of the Premises; (h) use the proceeds of the Note solely for the construction of improvements on the Premises; (i) not seek, make or consent to, without Mortgagee's prior written consent, any change in the zoning or conditions of use of the Premises or in the plans for the improvements thereof or thereon which would impair Mortgagee's ability to construct the improvements on the Premises.

2.2 Mortgagor shall pay, when due and before any penalty attaches, all general taxes, special taxes, special assessments, water taxes or charges, drainage taxes or charges, sewer service taxes or charges, and other taxes, assessments or charges against the Premises. Mortgagor shall, upon written request, furnish to Mortgagee duplicate paid receipts for such taxes, assessments and charges. To prevent Default hereunder, Mortgagor shall pay in full under protest, in manner provided by statute, any tax, assessment or charge which Mortgagor may desire to contest prior to such tax, assessment or charge becoming delinquent.

2.3 Upon Default and at the request of Mortgagee, Mortgagor shall deliver to Mortgagee all original leases or contracts of sale of all or any portion of the Premises, together with assignments of such leases or contracts from Mortgagor to Mortgagee, which assignments shall be in form and substance satisfactory to Mortgagee. Mortgagor shall not, without Mortgagee's prior written consent, procure, permit or accept any prepayment, discharge or compromise of any rent or release any tenant from any obligation at any time while the Liabilities secured hereby remains unpaid. Mortgagor shall not, without Mortgagee's prior written consent, accept any amount as liquidated damages or cancel or terminate any contract of sale other than as specifically provided in such contract.

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2.4 Any award of damages resulting from condemnation proceedings, exercise of the power of eminent domain, or the taking of the Premises for public use are hereby transferred, assigned and shall be paid to Mortgagee. Such awards or any part thereof may be applied by Mortgagee, after the payment of all of Mortgagee's expenses, including costs and attorneys' and paralegals' fees, to the reduction of the indebtedness secured hereby in such order of application as Mortgagee may elect. Mortgagee is hereby authorized, on behalf and in the name of Mortgagor, to execute and deliver valid acquittances and to appeal from any such awards.

2.5 Mortgagor shall keep the Premises and all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by fire, lightning, windstorm, vandalism and malicious damage and such other hazards as may from time to time be designated by Mortgagee. Mortgagor shall keep all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by flood, if the Premises are located in a flood hazard zone. Each insurance policy shall be for an amount sufficient to pay in full the cost of replacing or repairing the buildings and improvements on the Premises and, in no event, less than the principal amount of the Note. Mortgagor shall obtain liability insurance with respect to the Premises in an amount which is acceptable to Mortgagee. All policies shall be issued by companies satisfactory to Mortgagee. Each insurance policy shall be payable, in case of loss or damage, to Mortgagee. Each insurance policy shall contain a lender's loss payable clause or endorsement in form and substance satisfactory to Mortgagee. In the event of any loss, Mortgagor shall give immediate notice thereof to Mortgagee and any appropriate insurers. The Mortgagee may make any proof of loss to any insurer, if the Mortgagor fails to make a proof of loss immediately to any such insurer. Mortgagor shall deliver all insurance policies, including additional and renewal policies, to Mortgagee. In case of insurance about to expire, Mortgagor shall deliver to Mortgagee renewal policies not less than ten days prior to the respective dates of expiration. Each insurance policy shall not be cancellable by the insurance company without at least 30 days prior written notice to Mortgagee.

2.6 Notwithstanding any other provisions of this Mortgage, no sale, lease, mortgage, trust deed, or grant by Mortgagor of an encumbrance of any kind, conveyance, transfer of occupancy or possession, contract to sell, or transfer of the Premises of any part thereof shall be made without the prior written consent of Mortgagee.

2.7 Mortgagor is the sole owner of the Premises free from any lien, encumbrance or claim, except this Mortgage.

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2.8 Mortgagor warrants to Mortgagee that the Premises are not "residential real estate" as defined in the Illinois Mortgage Foreclosure Law (the "IMFL"), and covenants and agrees to and with Mortgagee that the Premises shall not become "residential real estate," as so defined, at any time while the Liabilities are outstanding.

2.9 No releases of any petroleum, oil, or chemical liquids or solids, liquid or gaseous products or hazardous (a "Release of Hazardous Materials") has occurred or is existing on the Premises or any portion thereof, or on any other real property now or previously owned by Mortgagor. Mortgagor has not received any notice from anyone with respect to any such Release of Hazardous Materials. Mortgagor shall not cause or permit to exist any Release of Hazardous Materials on any portion of the Premises or any other real property owned by Mortgagor and shall immediately notify Mortgagee, oral or written, with respect to any such Release of Hazardous Materials.

2.10 Mortgagor contracts and agrees that the improvements on the Premises shall be constructed in a good and workmanlike manner, and Mortgagee shall be entitled to inspect such construction at its request. Mortgagor shall keep the Premises free from all liens of suppliers, materialmen, contractors and subcontractors, and shall provide to Mortgagee, on Mortgagee's request, sworn owner's and contractors' affidavits and lien waivers. Mortgagor shall cause such improvements to be completed not later than June 1, 1989. Mortgagor shall maintain, or cause to be maintained builder's risk insurance in connection with such construction, and liability insurance for all risks arising in connection with such construction, and shall provide Mortgagee with proof thereof. In the event construction on the Premises, once begun, ceases for a period of 30 days or more, Mortgagor shall be entitled, but not required, to complete such improvements, and Mortgagor's costs for same shall be additional indebtedness of Mortgagor to Mortgagee, notwithstanding the stated principal amount of the Note.

MORTGAGEE RIGHTS

3.1 No remedy or right of Mortgagee hereunder shall be exclusive. Each right or remedy of Mortgagee with respect to the Liabilities, this Mortgage or the Premises shall be in addition to every other remedy or right now or hereafter existing at law or in equity. No delay by Mortgagee in exercising or omitting to exercise any remedy or right accruing on Default shall impair any such remedy or right, or shall be construed to be a waiver of any such Default, or acquiescence therein, or shall affect any subsequent Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently and when and as often as may be deemed expedient by Mortgagee.

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3.2 If Mortgagee makes any payment authorized by this Mortgage relating to taxes, assessments, charges, liens, security interests, encumbrances or insurance, Mortgagee may do so according to any bill, statement or estimate received from the appropriate party claiming such funds without inquiry into the accuracy or validity of such bill, statement or estimate or into the validity of the lien, encumbrance, security interest, tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

DEFAULT AND RIGHTS ON DEFAULT

4.1 Upon Default, at the sole option of Mortgagee, the Note or any other Liabilities shall become immediately due and payable, and Mortgagor shall pay all expenses of Mortgagee, including attorneys' and paralegals' fees, incurred in the enforcement of Mortgagee's rights in the Premises and other costs incurred in connection with the disposition of the Premises. The term "Default" when used in this Mortgage means any one or more of the events, conditions, any guaranty of the Note or any security agreement securing such Guaranty or the Note or acts defined as a "Default" in the Note or the failure of Mortgagor to pay and perform the Note, or the Liabilities in accordance with their terms, or failure of Mortgagor to comply with or to perform in accordance with any representation, warranty, term, provision, condition, covenant or agreement contained in this Mortgage or any instrument, agreement or writing securing any Liabilities to which the Mortgagor and Mortgagee are parties. Any Default under the Note shall be Default under this Mortgage.

4.2 Upon any Default hereunder, Mortgagee may, but need not, make payment or perform any act required of Mortgagor hereunder in any form and manner deemed expedient by Mortgagee. If Mortgagee is completing construction of the improvements as described in Section 2.10 hereof, Mortgagee may, but need not, make full or partial payments of principal or interest on any encumbrances, liens or security interests affecting the Premises, and Mortgagee may purchase, discharge, compromise or settle any tax lien or other lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including outside and in-house attorneys' and paralegals' fees, and any other funds advanced by Mortgagee to protect the Premises or the lien hereof, plus reasonable compensation to Mortgagee for each matter concerning which action herein authorized may be taken, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at a per annum rate equivalent to the post maturity rate set forth in the Note. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to Mortgagee on account of any Default hereunder.

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ADDITION

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4.3 When the indebtedness secured hereby shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien of the Mortgage. In any suit to foreclose the lien of this Mortgage, there shall be allowed and included as additional indebtedness in the judgement of foreclosure all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' and paralegals' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, tax and lien searches, and similar date and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute the foreclosure suit or to evidence to bidders at any foreclosure sale. All of the foregoing items, which may be expended after entry of the foreclosure judgement, may be estimated by Mortgagee. All expenditures and expenses mentioned in this paragraph, when incurred or paid by Mortgagee shall become additional indebtedness secured hereby and shall be immediately due and payable, with interest thereon at a rate equivalent to the post maturity interest rate set forth in the Note. This paragraph shall also apply to any expenditures or expenses incurred or paid by Mortgagee or on behalf of Mortgagee in connection with (a) any proceeding, including without limitation, probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness secured hereby, or (b) any preparation for the commencement of any suit for the foreclosure whether or not actually commenced or preparation for the commencement of any suit to collect upon or enforce the provisions of the Note or any instrument which secures the Note after Default, whether or not actually commenced, or (c) any preparation for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced.

4.4 The proceeds of any foreclosure sale shall be distributed and applies in the following order of priority: first, to the reasonable expenses of such sale; second, to the reasonable expenses of securing possession of the Premises before sale, holding, maintaining and preparing the Premises for sale, including payment of taxes and other governmental charges, premiums on hazard and liability insurance, management fees, reasonable attorneys' fees, payments made pursuant to Section 15-1505 of the IMFL or otherwise authorized in this Mortgage and other legal expenses incurred by Mortgagee; third, to the satisfaction of claims in the order of priority adjudicated in the judgement of foreclosure, and with respect to the Liabilities, first to all items which, under the terms of this Mortgage, constitute indebtedness secured by this Mortgage additional to that evidenced by the Note, with interest thereon

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as herein provided, second to interest remaining unpaid on the Liabilities and third to unpaid principal of the Liabilities; fourth, to remittance of any surplus to Mortgagor or as otherwise directed by the court.

4.5 Upon, or any time after the filing of a complaint to foreclosure this Mortgage, as otherwise permitted by the IMFL, the court in which such suit is filed may appoint a receiver of the Premises, or may appoint the Mortgagee as a mortgagee-in-possession of the Premises. Such receiver, or Mortgagee as mortgagee-in-possession, shall have power to collect the rents, issues and profits of the Premises and shall also have all other powers which may be necessary or are usual for the protection, possession, control, management and operation of the Premises.

4.6 No action for the enforcement of the lien or of any provision of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note.

DEFINITIONS

5.1 "Liabilities" means any and all liabilities, obligations and indebtedness of Mortgagor to Mortgagee under the Note, this Mortgage, any guaranty of the Note of Mortgagor, or any guarantor of the Note to Mortgagee whether heretofore, now or hereafter owing or arising, due or payable, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, whether existing or arising, through discount, overdraft, purchase, direct loan, by operation of law or otherwise. "Liabilities" also includes all costs of collection, legal expenses, and attorneys' and paralegals' fees incurred or paid by Mortgagee in attempting to enforce Mortgagee's rights, remedies and security interests hereunder, including advising the Mortgagee or drafting and documents for the Mortgagee at any time, or to enforce or collect the Note, any guaranty of the Note, or any other indebtedness of Mortgagor or any guarantor of the Note to Mortgagee, or in the repossession, custody, sale, lease, assembly or other disposition of any collateral for the Note. "Liabilities" also includes all of the indebtedness or contractual duties of partnerships to Mortgagee created or arising while Mortgagor or any guarantor of the Note may be or may have been a member of those partnerships.

5.2 This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor and all persons or parties claiming by, under or through Mortgagor. The word "Mortgagor" when used herein shall also include all persons or parties liable for the Liabilities secured hereby or any part thereof, whether or not such persons or parties shall have executed the Note, the Loan Agreement or this Mortgage, including their respective heirs,

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estates, personal representative, successors and assigns. Each Mortgagor shall be jointly and severally obligated hereunder. The singular shall include the plural, the plural shall mean the singular and the use of any gender shall be applicable to all genders. The word "Mortgagee" includes the successors and assigns of Mortgagee.

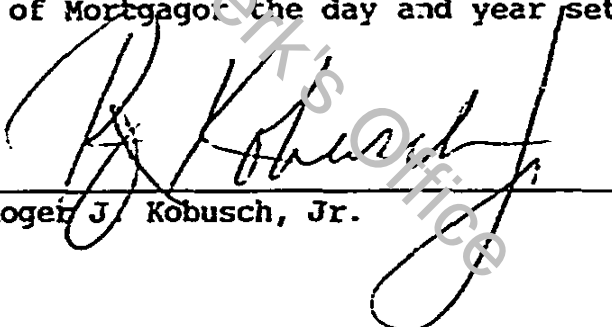
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6.1 Mortgagee shall release this Mortgage by a proper release after payment and satisfaction in full of the Note and all Liabilities.

6.2 Mortgagor hereby waives any and all rights or redemption from any judgement of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person claiming through Mortgagor as a successor, and Mortgagor further hereby waives any rights of reinstatement to cure a Default after the Liabilities have been accelerated by reason of such a Default, in its own behalf and on behalf of any person claiming a right of reinstatement as a successor to Mortgagor.

6.3 This Mortgage has been made, executed and delivered to Mortgagee in Cook County, Illinois and shall be construed in accordance with the laws of the State of Illinois. Wherever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law. If any provisions of this Mortgage are prohibited by or determined to be invalid under applicable law, such provisions shall be ineffective to the extent of such prohibitions or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Mortgage.

WITNESS the hand and seal of Mortgagor the day and year set forth above.



Roger J. Kobusch, Jr.

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COOK COUNTY, ILLINOIS

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, a Notary Public, in and for said County and State, hereby certify on this 10th day of January, 1988, personally appeared before me Roger J. Kobusch, Jr., personally known to me to be the same person whose name is subscribed to the foregoing instrument, and acknowledged that he executed same as his free and voluntary act for the uses and purposes therein set forth.

Humboldt Waters (SEAL) My commission expires: 01/29/90
Notary Public

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EXHIBIT A

PARCEL 1:

LOT 1 IN CILIA SUBDIVISION OF PART OF THE EAST 1/2 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

A PERMANENT RAILROAD EASEMENT FOR THE BENEFIT OF PARCEL 1, RESTRICTED TO THOSE USES NECESSARY TO CONSTRUCT A SPUR TRACK, TO MAINTAIN THE SPUR TRACK, AND TO PROVIDE THE REQUIRED CLEARANCES FOR RAILROAD EQUIPMENT USING THE SPUR TRACK AS CREATED BY THE EASEMENT AGREEMENT MADE BY MIDWEST BANK AND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED MAY 15, 1978 AND KNOWN AS TRUST NUMBER 78-05-2531 TO ROGER J. KOBUSCH, JR. RECORDED SEPTEMBER 25, 1987 AS DOCUMENT 87524393 OVER THE NORTH EAST CORNER OF LOT 2 OF CILIA SUBDIVISION.

BEGINNING AT THE NORTH EAST CORNER OF LOT 2 OF CILIA SUBDIVISION THENCE WEST ALONG THE NORTH LINE OF SAID LOT 2 A DISTANCE OF 10 FEET, THENCE SOUTHEASTERLY TO A POINT ON THE EAST LINE OF SAID LOT 2 BEING 100 FEET SOUTH OF THE NORTH EAST CORNER OF SAID LOT 2, THENCE NORTH 100 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

Permanent Index Number: 12-20-202-025-0000

Commonly known as:

3700 Carrington

Franklin Park, Ill.

This instrument prepared by:
Carol Gloor, AAL
c/o Cole Taylor Bank/Drovers
1542 W. 47th Street
Chicago, Illinois 60609

After recording return to:
Russell Cole
Cole Taylor Bank/Skokie
4400 Oakton Street
Skokie, Illinois 60076

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