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CONSTRUCTION MORTGAGE

THIS MORTGAGE is dated as of May 22, 1989, and is made between Cobbier's Crossing Country Homes Limited Partnership ("Mortgagor") a limited partnership organized under the laws of the State of Illinois, located at 5999 New Wilke Road, Rolling Meadows, Illinois 60008 and The First National Bank of Des Plaines located at 701 Lee Street, Des Plaines, Illinois, 60016.

WITNESS: Mortgagor has executed a Promissory Note dated as of May 22, 1989 ("Note I"), payable to the order of Mortgagee in the principal amount of \$1,400,000.00 with interest at the per annum rate of one percent (1%) in excess of the Prime Rate of Mortgagee and after default (as defined in the Note) or maturity, at the per annum rate of four percent (4%) in excess of the Prime Rate of the Mortgagee. Accrued and unpaid interest on Note I shall be payable monthly commencing on the 1st day of July, 1989 and on the first day of each and every month thereafter. The advances made to the Mortgagor by the Mortgagee under Note I will be advanced in multiple disbursements to Mortgagor by Mortgagee to pay the Lomas & Nettleton Company, a Connecticut Corporation approximately \$326,000.00 for the repayment of a loan to Mortgagor, for financing the hard costs of the construction of Site Improvements on the Premises in the approximate amount of \$924,000.00 with the remaining \$150,000.00 to be used by the Mortgagor for the payment of interest due the Mortgagee. The Mortgagor shall construct eighty-two condominium units on the Premises ("Individual Units"), which shall be arranged with four Individual Units in a model condominium building and six Individual Units in each of thirteen condominium buildings. At the closing of the sale of each Individual Unit, the Mortgagor shall make a principal reduction on Note I in an amount of \$18,700.00. The unpaid balance of principal together with the accrued and unpaid interest is payable in full on November 30, 1990 unless Note I shall become due earlier whether by acceleration or otherwise.

WITNESS: Mortgagor has executed a Promissory Note dated as of May 22, 1989 ("Note II"), payable to the order of Mortgagee in the principal amount of \$1,300,000.00 with interest at the per annum rate of one percent (1%) in excess of the Prime Rate of Mortgagee and after default (as defined in Note II) or maturity at the per annum rate of four percent (4%) in excess of the Prime Rate of the Mortgagee. Accrued and unpaid interest on Note II shall be payable monthly commencing on the 1st day of July, 1989 and on the first day of each and every month thereafter. Note II evidences a Revolving Credit. Mortgagor will construct a model condominium building ("Model") consisting of four individual condominium units and thirteen condominium buildings ("Building" or "Buildings") consisting of six individual condominium units each. The individual condominium units to be constructed in the Model and in the Buildings shall hereinafter be collectively referred to as "Individual Unit" or "Individual Units". The amount of any drafts drawn on any Letter of Credit issued by Mortgagee shall be advances of principal on Note II. Any other advances made to the Mortgagor by the Mortgagee under Note II will be for the hard costs of construction of the Model and Buildings. At the closing of the sale of each Individual Unit of the Model, Mortgagor shall make a principal payment on Note II to Mortgagee in an amount equal to one-fourth (1/4) of the amounts advanced by the Mortgagee to the Mortgagor for the construction of the Model. At the closing of the sale of each Individual Unit in a Building, the Mortgagor shall make a principal payment on Note II to the Mortgagee in an amount equal to one-sixth (1/6) of amounts advanced by the Mortgagee to the Mortgagor for the construction of the Building in which the Individual Unit sold is located. The unpaid balance of principal together with accrued and unpaid interest is payable in full on November 30, 1990 unless Note II shall become

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due earlier whether by acceleration or otherwise. In the event any amounts remain outstanding on any outstanding Letter of Credit on November 30, 1990, the maturity of Note II shall be extended only to the extent of the principal amount outstanding on any outstanding Letter of Credit to and including the date that any Letter of Credit matures and is cancelled and returned to the Mortgagee or the date upon which any outstanding Letter of Credit is fully drawn upon and returned to the Mortgagee. At that time all amounts of principal the payment of which has been extended in accordance with this provision, plus accrued interest shall be due and payable immediately by the Mortgagor to the Mortgagee.

The advances made to the Mortgagor by the Mortgagee under Note I and Note II and the construction of the Site Improvements, Improvements and Individual Units shall be made in accordance with the Construction Loan Agreement dated as of May 22, 1989 by and among the Mortgagor, Mortgagee and others ("Loan Agreement"). Note I and Note II shall collectively be referred to herein as the "Notes".

Upon payment to the Mortgagee at the closing of the sale of each Individual Unit of the amounts due Mortgagee on the Notes as set forth above the Mortgagee will release its lien on that Individual Unit so long as Mortgagor is not in Default or the Notes have not matured whether by acceleration or otherwise.

GRANT OF MORTGAGE

1.1. To secure payment of the indebtedness evidenced by the Notes, 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 and under the Loan Agreement, Mortgagor does by these presents CONVEY, WARRANT and MORTGAGE unto Mortgagee, all of 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 windows, 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 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.

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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, 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 a limitation or condition hereof and not available to anyone other than Mortgagor, that until a Default or an 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:

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 Individual Units 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 Notes solely for the purposes set forth in the Loan Agreement; (i) perform and comply with all of the terms, provisions and conditions of the Loan Agreement, including without limitation those provisions pertaining to the construction of the Site Improvements, Improvements and Individual Units (as defined in the Loan Agreement) upon the Premises; (j) 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 Site Improvements, Improvements or Individual Units thereof or thereon which would impair Mortgagee's ability to construct the Site Improvements, Improvements or Individual Units on the Premises pursuant to the Loan Agreement.

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 the manner provided by statute, any tax, assessment or charge which Mortgagor may desire to contest prior to such tax, assessment or charge becoming delinquent.

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2.3. Upon 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.

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 award.

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 or any part thereof or sale or transfer of ownership of any beneficial interest or power of direction in a land trust which holds title to the Premises shall be made without the prior written consent of Mortgagee. Sale Contracts (as defined in the Loan Agreement) in conformance with the Loan Agreement shall be consented to by Mortgagee.

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

2.8. No release of any petroleum, oil or chemical liquids or solids, liquid or gaseous products or hazardous waste (a "Release of Hazardous Materials") has occurred or

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is existing on any portion of the Premises, or any other real property in the state in which the Premises is located now or previously owned by Mortgagor. Mortgagor has not received any notice from any governmental agency or from any tenant under a lease or from any other party with respect to any such Release of Hazardous Materials.

2.9. Mortgagor shall not cause or permit to exist any Release of Hazardous Materials on any portion of the Premises or any other real property in the state of which the Premises is located, owned by Mortgagor or by any person having a legal and beneficial interest in Mortgagor (if Mortgagor is a corporation, trust or other entity). Mortgagor shall immediately notify Mortgagee of any notice or threatened action from any governmental agency or from any tenant under a lease of any portion of the Premises or from any other party with respect to any such Release of Hazardous Materials.

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.

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.

3.3. Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

DEFAULT AND RIGHTS ON DEFAULT

4.1. Upon Default and the expiration of any applicable cure period, at the sole option of Mortgagee, the Notes 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 connection with this Mortgage and all expenses 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 or acts defined as a "Default" in the Notes or the Loan Agreement or the failure of Mortgagor to pay and perform the Notes, the Loan Agreement or 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 Notes shall be Default under this Mortgage.

4.2. Upon any Default hereunder, Mortgagee may, but need not, make any payment or perform any act required of Mortgagor hereunder or under the Loan Agreement in any form and manner deemed expedient by Mortgagee. Mortgagee may, but

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need not, complete construction of the Site Improvements, Improvements and Individual Units (as defined in and pursuant to the Loan Agreement) and enter into the necessary contracts therefor. 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 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 Notes. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to Mortgagee on account of any Default hereunder.

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 this Mortgage. In any suit to foreclose the lien of this Mortgage, there shall be allowed and included as additional indebtedness in the judgment 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 data 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 judgment, 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 Notes. 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 of this Mortgage after accrual of the right to foreclose whether or not actually commenced or preparation for the commencement of any suit to collect upon or enforce the provisions of the Notes or any instrument which secures the Notes 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 applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all the items that are mentioned in the immediately preceding paragraph; second, all other items which under the terms of this Mortgage constitute indebtedness secured by this Mortgage additional to that evidenced by the Notes, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Notes and the Liabilities (first to interest and then to principal); fourth, any surplus to Mortgagor or Mortgagor's heirs, legal representatives, successors or assigns, as their rights may appear.

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4.5. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such suit is filed may appoint a receiver of the Premises. The receiver's appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for the receiver and without regard to the then value of the Premises or whether the Premises shall be then occupied as a homestead or not. Mortgagee may be appointed as the receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of the foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of the receiver, would be entitled to collect the rents, issues and profits. Such receiver shall also have all other powers which may be necessary or are usual for the protection, possession, control, management and operation of the Premises. The court in which the foreclosure suit is filed may from time to time authorize the receiver to apply the net income in the receiver's hands in payment in whole or in part of the indebtedness secured hereby or secured by any judgment foreclosing this Mortgage, or any tax, special assessment or other lien or encumbrance which may be or become superior to the lien hereof or of the judgment, and the deficiency judgment against Mortgagor or any guarantor of the Notes in case of a foreclosure sale and deficiency.

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 Notes.

DEFINITIONS

5.1. "Liabilities" means any and all liabilities, obligations and indebtedness of Mortgagor to Mortgagee under the Notes, the Loan Agreement, and this Mortgage and for any other liabilities, obligations and indebtedness of Mortgagor 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 any documents for the Mortgagee at any time, or to enforce or collect the Notes, Loan Agreement, any guaranty of the Notes, or any other indebtedness of Mortgagor or any guarantor of the Notes to Mortgagee, or in the repossession, custody, sale, lease, assembly or other disposition of any collateral for the Notes. "Liabilities" also includes all of the indebtedness or contractual duties of partnerships to Mortgagee created or arising while Mortgagor or any guarantor of the Notes 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 Notes, the Loan Agreement or this Mortgage, including their respective heirs, 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 Notes and all Liabilities.

6.2. MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE OF THIS MORTGAGE AND ANY RIGHTS OF REINSTATEMENT PURSUANT TO THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, ON MORTGAGOR'S OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF THE MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE. IN THE EVENT THE PREMISES IS AGRICULTURAL PROPERTY AND MORTGAGOR IS AN ILLINOIS CORPORATION, A FOREIGN CORPORATION LICENSED TO DO BUSINESS IN THE STATE OF ILLINOIS OR A CORPORATE TRUSTEE OF AN EXPRESS TRUST, MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OF JUDGMENT OF FORECLOSURE OF THIS MORTGAGE AND ANY RIGHTS OF REINSTATEMENT PURSUANT TO THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, ON MORTGAGOR'S OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES, AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE. IN THE EVENT THE PREMISES IS RESIDENTIAL PROPERTY AS DEFINED UNDER THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, BUT PRIOR TO THE FILING OF A COMPLAINT FOR FORECLOSURE, THE PREMISES CEASES TO QUALIFY AS RESIDENTIAL PROPERTY, MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE OF THIS MORTGAGE AND ANY RIGHTS OF REINSTATEMENT PURSUANT TO THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, ON MORTGAGOR'S OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF THE MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE.

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.

6.4. This Mortgage is subject to the terms, provisions and conditions of the Loan Agreement. In the event of any inconsistency or conflict between the terms, provisions or conditions of this Mortgage and the Loan Agreement, the Loan Agreement shall control in all instances.

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

COBBLER'S CROSSING COUNTRY HOMES
LIMITED PARTNERSHIP, an Illinois Limited
Partnership

By: Kimball Hill, Inc.
an Illinois Corporation
General Partner

By: David K. Hill, Jr.
David K. Hill, Jr.,
Its: President

Attest: Barbara G. Cooley
Barbara G. Cooley
Its: Secretary

This instrument was prepared by:

RETURN TO:

Paul J. Richter, Esq.
DeHaan & Richter, P.C.
55 W. Monroe - Suite 1000
Chicago, Illinois 60603
(312)726-2660



781111 TRAM 5741 06/01/07 14:14:09
#4541 # A *-37-248413
COOK COUNTY RECORDER

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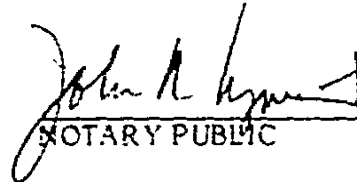
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STATE OF ILLINOIS

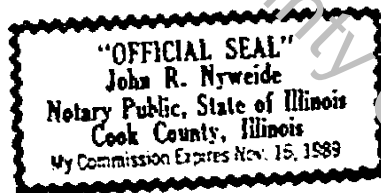
COUNTY OF COOK

I, John R. Nyweide, a Notary Public in and for the County and State aforesaid, do hereby certify that David K. Hill, Jr. and Barbara G. Cooley, personally known to me to be the same persons whose names are subscribed as President and Secretary, respectively, of Kimball Hill, Inc., an IL corporation, to the foregoing instrument, appeared before me this day in person and acknowledged to me that they, being thereunto duly authorized, signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 22 day of May, 1989.


NOTARY PUBLIC

My Commission Expires: 11/16/89



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EXHIBIT A

PARCEL 1: LOTS 1 AND 2 AND OUTLOTS A, B, C AND D IN COBBLER'S CROSSING UNIT 2, A SUBDIVISION IN THE SOUTH 1/2 OF SECTION 7, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: EASEMENTS FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 AS CREATED BY DECLARATION OF EASEMENTS, RESTRICTIONS AND COVENANTS RECORDED AS DOCUMENT NUMBER 89-185738.

PIN Number 06-07-400-001

VACANT PROPERTY AT RIPLE BROOK & SPRAY CREEK DR., ELEM. II,

D977.160

Property of Cook County Clerk's Office

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