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Cook County Recorder 35.50



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**COOK COUNTY
RECORDER
EUGENE "GENE" MOORE
BRIDGEVIEW OFFICE**

Space Above This Line For Recording Data

This instrument was prepared by Cassandra A Snetsinger, 10 S. Vail Avenue, Arlington Heights, Illinois 60005
When recorded return to Cassandra A Snetsinger, 10 S. Vail Avenue, Arlington Heights, Illinois 60005

361160

MORTGAGE

DATE AND PARTIES. The date of this Mortgage (Security Instrument) is December 8, 2000. The parties and their addresses are:

MORTGAGOR:

TWO BRANCHES, L.L.C.
an Illinois Limited Liability Company
303 W. Slade Street
Palatine, Illinois 60067
An Illinois Limited Liability Corporation

LENDER:

THE PEOPLES' BANK OF ARLINGTON HEIGHTS
Organized and existing under the laws of Illinois
10 S. Vail Avenue
Arlington Heights, Illinois 60005-1841
36-4256622

1. CONVEYANCE. For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, sells, conveys, mortgages and warrants to Lender, the following described property:

See attached Exhibit "A" PIN 02-24-400-010

The property is located in Cook County at 1400 East Northwest Highway, Palatine, Illinois 60067.

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, crops, timber, all diversion payments or third party payments made to crop producers and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described (all referred to as Property). This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

A. Power. Mortgage is duly organized, and validly existing and in good standing in all jurisdictions in which Mortgage operates. Mortgage has the power and authority to enter into this transaction and to carry on Mortgage's business or activity as it is now being conducted and, as applicable, is qualified to do so in each jurisdiction in which Mortgage operates.

10. WARRANTIES AND REPRESENTATIONS. Mortgage makes to Lender the following warranties and representations which will continue as long as this Security Instrument is in effect:

However, Lender may not demand payment in the above situations if it is prohibited by law as of the date of this Security Instrument.

- A. A beneficial interest in Mortgage is sold or transferred.
- B. There is a change in either the identity or number of members of a partnership or similar entity.
- C. There is a change in ownership of more than 25 percent of the voting stock of a corporation or similar entity.

9. TRANSFER OF AN INTEREST IN THE MORTGAGE. If Mortgage is an entity other than a natural person (such as a corporation or other organization), Lender may demand immediate payment if:

8. DUE ON SALE. Lender may, at its option, declare the entire balance of the Secured Debts to be immediately due and payable upon the creation of, or contract for the creation of, a transfer or sale of the Property. This right is subject to the restrictions imposed by federal law governing the exemption of state due-on-sale laws, as applicable.

7. CLAIMS AGAINST TITLE. Mortgage will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgage to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgage's payment. Mortgage will defend title to the Property against any claims that would impair the lien of this Security Instrument. Mortgage agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgage may have against parties who supply labor or materials to maintain or improve the Property.

- A. To make all payments when due and to perform or comply with all covenants.
- B. To promptly deliver to Lender any notices that Mortgage receives from the holder.
- C. Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

6. PRIOR SECURITY INTERESTS. With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgage agrees:

5. WARRANT OF TITLE. Mortgage warrants that Mortgage is or will be lawfully seized of the estate conveyed by this Security Instrument and has the right to grant, bargain, convey, sell and mortgage the Property. Mortgage also warrants that the Property is unencumbered, except for encumbrances of record.

4. PAYMENTS. Mortgage agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Security Instrument.

B. Sums Advanced. All sums advanced and expenses incurred by Lender under the terms of this Security Instrument and a loan amount of \$631,032.24.

3. SECURED DEBTS. This Security Instrument will secure the following Secured Debts:

A. Specific Debts. The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note, No. 75-00100069, dated December 8, 2000, from Mortgage to Lender, time will not exceed \$700,000.00. This limitation of amount does not include interest, attorneys' fees and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

B. Authority. The execution, delivery and performance of this Security Instrument and the obligation evidenced by this Security Instrument are within Mortgagor's powers, have been duly authorized, have received all necessary governmental approval, will not violate any provision of law, or order of court or governmental agency, and will not violate any agreement to which Mortgagor is a party or to which Mortgagor is or any of Mortgagor's property is subject.

C. Name and Place of Business. Other than previously disclosed in writing to Lender, Mortgagor has not changed Mortgagor's name or principal place of business within the last 10 years and has not used any other trade or fictitious name. Without Lender's prior written consent, Mortgagor does not and will not use any other name and will preserve Mortgagor's existing name, trade names and franchises.

11. PROPERTY CONDITION, ALTERATIONS AND INSPECTION. Mortgagor will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgagor will not commit or allow any waste, impairment, or deterioration of the Property. Mortgagor will keep the Property free of noxious weeds and grasses. Mortgagor agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgagor will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgagor will notify Lender of all demands, proceedings, claims, and actions against Mortgagor, and of any loss or damage to the Property.

No portion of the Property will be removed, demolished or materially altered without Lender's prior written consent except that Mortgagor has the right to remove items of personal property comprising a part of the Property that become worn or obsolete, provided that such personal property is replaced with other personal property at least equal in value to the replaced personal property, free from any title retention device, security agreement or other encumbrance. Such replacement of personal property will be deemed subject to the security interest created by this Security Instrument. Mortgagor will not partition or subdivide the Property without Lender's prior written consent.

Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender will give Mortgagor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

12. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

13. DEFAULT. Mortgagor will be in default if any of the following occur:

- A. Payments.** Mortgagor fails to make a payment in full when due.
- B. Insolvency.** Mortgagor makes an assignment for the benefit of creditors or becomes insolvent, either because Mortgagor's liabilities exceed Mortgagor's assets or Mortgagor is unable to pay Mortgagor's debts as they become due.
- C. Business Termination.** Mortgagor merges, dissolves, reorganizes, ends its business or existence, or a partner or majority owner dies or is declared legally incompetent.
- D. Failure to Perform.** Mortgagor fails to perform any condition or to keep any promise or covenant of this Security Instrument.
- E. Other Documents.** A default occurs under the terms of any other transaction document.
- F. Other Agreements.** Mortgagor is in default on any other debt or agreement Mortgagor has with Lender.
- G. Misrepresentation.** Mortgagor makes any verbal or written statement or provides any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
- H. Judgment.** Mortgagor fails to satisfy or appeal any judgment against Mortgagor.

I. Foreclosure. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

J. Name Change. Mortgagee changes Mortgagee's name or assumes an additional name without notifying Lender before making such a change.

K. Property Transfer. Mortgagee transfers all or a substantial part of Mortgagee's money or property. This condition of default, as it relates to the transfer of the Property, is subject to the restrictions contained in the DUE ON SALE section.

L. Property Value. The value of the Property declines or is impaired.

M. Material Change. Without first notifying Lender, there is a material change in Mortgagee's business, including ownership, management, and financial conditions.

N. Insecurity. Lender reasonably believes that Lender is insecure.

14. REMEDIES. Lender may use any and all remedies Lender has under state or federal law or in any instrument evidencing or pertaining to the Secured Debts. Any amounts advanced on Mortgagee's behalf will be immediately due and may be added to the balance owing under the Secured Debts. Lender may make a claim for any and all insurance benefits or refunds that may be available on Mortgagee's default.

Subject to any right to cure, required time schedules or other notice rights Mortgagee may have under federal and state law, Lender may make all or any part of the amount owing by the terms of the Secured Debts immediately due and foreclose this Security Instrument in a manner provided by law upon the occurrence of a default or anytime thereafter.

Upon default, Lender will have the right, without declaring the whole indebtedness due and payable, to foreclose against all or part of the Property and will have the right to possession provided by law. This Security Instrument will continue as a lien on any part of the Property not sold on foreclosure.

All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require complete cure of any existing default. By choosing any one or more of these remedies Lender does not give up Lender's right to use any other remedy. Lender does not waive a default if Lender chooses not to use a remedy. By electing not to use any remedy, Lender does not waive Lender's right to later consider the event a default and to use any remedies if the default continues or happens again.

15. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after Default, to the extent permitted by law, Mortgagee agrees to pay all expenses of collection, enforcement or protection of Lender's rights and remedies under this Security Instrument. Mortgagee agrees to pay expenses for Lender to inspect and preserve the Property and for any recordation costs of releasing the Property from this Security Instrument. Expenses include all costs and disbursements, including reasonable attorneys' fees and collection agency charges, incurred to collect or enforce this debt. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of the Secured Debts. To the extent permitted by the United States Bankruptcy Code, Mortgagee agrees to pay the reasonable attorneys' fees Lender incurs to collect the Secured Debts as awarded by any court exercising jurisdiction under the Bankruptcy Code.

16. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES. As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgagee represents, warrants and agrees that:

- A. Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance has been, is, or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property, except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- B. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has not and will not cause, contribute to, or permit the release of any Hazardous Substance on the Property.
- C. Mortgagor will immediately notify Lender if (1) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (2) there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagor will take all necessary remedial action in accordance with Environmental Law.
- D. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (1) any Hazardous Substance located on, under or about the Property; or (2) any violation by Mortgagor or any tenant of any Environmental Law. Mortgagor will immediately notify Lender in writing as soon as Mortgagor has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Lender has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- E. Except as previously disclosed and acknowledged in writing to Lender, Mortgagor and every tenant have been, are and will remain in full compliance with any applicable Environmental Law.
- F. Except as previously disclosed and acknowledged in writing to Lender, there are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well will be added unless Lender first consents in writing.
- G. Mortgagor will regularly inspect the Property, monitor the activities and operations on the Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.
- H. Mortgagor will permit, or cause any tenant to permit, Lender or Lender's agent to enter and inspect the Property and review all records at any reasonable time to determine (1) the existence, location and nature of any Hazardous Substance on, under or about the Property; (2) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; or (3) whether or not Mortgagor and any tenant are in compliance with applicable Environmental Law.
- I. Upon Lender's request and at any time, Mortgagor agrees, at Mortgagor's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Lender. The choice of the environmental engineer who will perform such audit is subject to Lender's approval.
- J. Lender has the right, but not the obligation, to perform any of Mortgagor's obligations under this section at Mortgagor's expense.
- K. As a consequence of any breach of any representation, warranty or promise made in this section, (1) Mortgagor will indemnify and hold Lender and Lender's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and attorneys' fees, which Lender and Lender's successors or assigns may sustain; and (2) at Lender's discretion, Lender may release this Security Instrument and in return Mortgagor will provide Lender with collateral of at least equal value to the Property secured by this Security Instrument without prejudice to any of Lender's rights under this Security Instrument.
- L. Notwithstanding any of the language contained in this Security Instrument to the contrary, the terms of this section will survive any foreclosure or satisfaction of this Security Instrument regardless of any passage of title to Lender or any disposition by Lender of any or all of the Property. Any claims and defenses to the contrary are hereby waived.
17. **CONDEMNATION.** Mortgagor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgagor authorizes Lender to intervene in Mortgagor's name in any of the above

described actions or claims. Mortgages assigned to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

18. INSURANCE. Mortgages insured against the risks reasonably associated with the Property. Mortgages will maintain this insurance in the amounts Lender requires. This insurance will last until the Property is released from this Security Instrument. Mortgages may choose the insurance company, subject to Lender's approval, which will not be unreasonably withheld.

All insurance policies and renewals will include a standard "mortgage clause" and, where applicable, "loss payee clause." If required by Lender, Mortgages agree to maintain comprehensive general liability insurance and rental loss or business interruption insurance in amounts and under policies acceptable to Lender. The comprehensive general liability insurance must name Lender as an additional insured. The rental loss or business interruption insurance must be in an amount equal to at least coverage of one year's debt service, and required escrow account deposits (if agreed to separately in writing.)

Mortgages will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will be applied to restoration or repair of the Property or to the Secured Debts, at Lender's option. If Lender acquires the Property in damaged condition, Mortgages's rights to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts.

Mortgages will immediately notify Lender of cancellation or termination of insurance. If Mortgages fails to keep the Property insured Lender may obtain insurance to protect Lender's interest in the Property. This insurance may include coverages not originally required of Mortgages, may be written by a company other than one Mortgages would choose, and may be written at a higher rate than Mortgages could obtain if Mortgages purchased the insurance.

19. ESCROW FOR TAXES AND INSURANCE. Mortgages will not be required to pay to Lender funds for taxes and insurance in escrow.

20. CO-SIGNERS. If Mortgages signs this Security Instrument but does not sign the Secured Debts, Mortgages does so only to mortgage Mortgages's interest in the Property to secure payment of the Secured Debts and Mortgages does not agree to be personally liable on the Secured Debts. If this Security Instrument secures a guaranty between Lender and Mortgages, Mortgages agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgages or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

21. WAIVERS. Except to the extent prohibited by law, Mortgages waives all appraisement and homestead exemption rights relating to the Property.

22. FIXTURE FILING. Mortgages gives to Lender a security interest in all goods that Mortgages owns now or in the future and that are or will become fixtures related to the Property.

23. PERSONAL PROPERTY. Mortgages gives to Lender a security interest in all personal property located on or connected with the Property, including all farm products, inventory, equipment, accounts, documents, instruments, chattel paper, general intangibles, and all other items of personal property Mortgages owns now or in the future and that are used or useful in the construction, ownership, operation, management, or maintenance of the Property (all of which shall also be included in the term "Property"). The term "personal property" specifically excludes that property described as "household goods" secured in connection with a "consumer" loan as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices.

24. APPLICABLE LAW. This Security Instrument is governed by the laws of Illinois, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.

25. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Mortgage's obligations under this Security Instrument are independent of the obligations of any other Mortgage. Lender may sue each Mortgage individually or together with any other Mortgage. Lender may release any part of the Property and Mortgage

will still be obligated under this Security Instrument for the remaining Property. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Lender and Mortgage.

26. AMENDMENT, INTEGRATION AND SEVERABILITY. This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Mortgage and Lender. This Security Instrument is the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

27. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.

28. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Mortgage will inform Lender in writing of any change in Mortgage's name, address or other application information. Mortgage will provide Lender any financial statements or information Lender requests. All financial statements and information Mortgage gives Lender will be correct and complete. Mortgage agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgage's obligations under this Security Instrument and to confirm Lender's lien status on any Property. Time is of the essence.

SIGNATURES. By signing, Mortgage agrees to the terms and covenants contained in this Security Instrument. Mortgage also acknowledges receipt of a copy of this Security Instrument.

MORTGAGOR:

Two Branches, L.L.C.

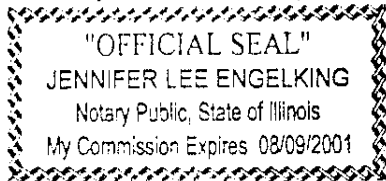
Brian Leckie
Brian Leckie, Managing Member

ACKNOWLEDGMENT.

(Business or Entity)

County Cook OF Cook State Illinois OF Illinois ss.
This instrument was acknowledged before me this 8th day of December, 2000
by Brian Leckie - Managing Member of Two Branches, L.L.C. a Limited Liability Company on behalf of the Limited Liability Company.

My commission expires:



Jennifer Lee Engelking
(Notary Public)

EXHIBIT "A"

THAT PART OF THE SOUTH EAST $\frac{1}{4}$ OF SECTION 24, TOWNSHIP 42 NORTH RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS. DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF A LINE 1484.34 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SAID SOUTHEAST $\frac{1}{4}$ WITH THE NORTHERLY RIGHT-OF-WAY LINE OF THE NORTHWEST HIGHWAY AS SHOWN ON PLAT RECORDED JULY 8, 1932, AS DOCUMENT #11113034; THENCE NORTH ALONG SAID PARALLEL LINE A DISTANCE OF 439.57 FEET; THENCE WEST PERPENDICULAR TO THE LAST DESCRIBED LINE A DISTANCE OF 231.40 FEET; THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SOUTHEAST $\frac{1}{4}$ A DISTANCE OF 98.56 FEET TO THE POINT OF CURVE OF A CURVED LINE CONVEX TO THE SOUTHEAST HAVING A RADIUS OF 244.50 FEET THENCE SOUTHERLY ALONG SAID CURVED LINE AN ARC DISTANCE OF 130.86 FEET; THENCE SOUTHWESTERLY ALONG A LINE TANGENT TO THE LAST DESCRIBED CURVED LINE A DISTANCE OF 16.86 FEET; THENCE SOUTH PARALLEL WITH THE EAST LINE OF SAID SOUTHEAST $\frac{1}{4}$ A DISTANCE OF 19.71 FEET TO THE NORTHERLY RIGHT-OF-WAY LINE OF SAID HIGHWAY; THENCE SOUTHEASTERLY ALONG THE NORTHERLY RIGHT-OF-WAY LINE OF SAID HIGHWAY A DISTANCE OF 318.77 FEET TO THE POINT OF BEGINNING, EXCEPTING THEREFROM THAT PART FALLING WITHIN NORTHWEST HIGHWAY AS WIDENED PER PETITION FILED APRIL 20, 1964, IN COOK COUNTY, ILLINOIS, IN CASE NUMBER 64L9692, IN COOK COUNTY, ILLINOIS.

PIN 02-24-400-010

COMMONLY KNOWN AS: 1400 E. NORTHWEST HIGHWAY, PALATINE, IL 60067