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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1305249050 Fee: \$72.00
Karen A. Yarbrough RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 02/21/2013 02:12 PM Pg: 1 of 18

Report Mortgage Fraud
800-532-8785

The property identified as: PIN: 08-23-202-013

Address:

Street: 1500 EAST ALGONQUIN ROAD

Street line 2:

City: ARLINGTON HEIGHTS

State: IL

ZIP Code: 60005

Lender: BANCO POPULAR NORTH AMERICA

Borrower: OAK BROOK APPLE, LLC

Loan / Mortgage Amount: \$5,537,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

FREEDOM TITLE CORPORATION
2260 HICKS ROAD SUITE 415
ROLLING MEADOWS IL 60008

6714042 3/6

Certificate number: 1244DE93-FB0B-499D-8303-8E3313DB69D8

Execution date: 02/15/2013

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FOR RECORDER'S USE ONLY

PREPARED BY AND WHEN RECORDED MAIL TO:

William J. Lapelle
Law Offices of William J. Lapelle
One Northfield Plaza, Suite 528
Northfield, Illinois 60093

MORTGAGE AND SECURITY AGREEMENT -

THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage") is made as of Feb 15, 2013, by **Oak Brook Apple, LLC, an Illinois limited liability company** ("Mortgagor"), with a mailing address at 4069 Joseph Drive B3, Waukegan, Illinois 60087, in favor of **Banco Popular North America** (hereinafter referred to as "Lender") with a mailing address of 9600 W. Bryn Mawr, Rosemont, IL 60018 and pertains to the real estate described in Exhibit "A", attached hereto and made a part hereof.

I. RECITALS

1.01 Note. Pursuant to that certain Loan and Security Agreement dated the date of this Mortgage entered into by Oak Brook Apple, LLC, an Illinois limited liability company ("Apple") and Oak Brook REGENT, LLC, an Illinois limited liability company, a wholly owned subsidiary of Apple ("Regent"), (Apple and Regent hereinafter individually and collectively referred to as "Borrower") and Lender (said Loan and Security Agreement, as may be amended or restated from time to time, shall be hereinafter referred to as the "Loan Agreement") Lender has agreed to make a loan (the "Loan") to Borrower as evidenced by that certain Promissory Note (said Promissory Note, as may from time to time be amended, modified, substituted, restated, renewed and/or extended, shall hereinafter be referred to as the "Note") Lender has agreed to make a loan (the "Loan") to Borrower in the principal amount of \$5,537,000.00 payable, along with interest, and maturing as specified in the Note, which has been or is being contemporaneously executed and delivered by Borrower to Lender. Unless otherwise stated herein, all defined terms shall have the meanings set forth in the Loan Agreement. The Note contemplates a variable rate of interest.

1.02 This Mortgage To induce Lender to (A) enter into the Loan Agreement and (B) make the Loan, and as security for the repayment of the Note and payment and performance of all other indebtedness, obligations and liabilities of Borrower and/or Mortgagor to Lender, howsoever created, arising or evidenced, and whether now existing or hereafter arising, including, but not limited to, under the Loan Agreement and any document entered into or given pursuant to the Loan Agreement (all of the indebtedness, liabilities and obligations referenced in this Section shall be collectively referred to as the "Obligations"), Mortgagor has agreed to execute and deliver to Lender this Mortgage. This Mortgage is

6714012 3/16

Freedom Title Corporation
2260 Hicks Road
Suite 415
Rolling Meadows IL 60008

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given as equal security for all of the Obligations without preference or priority of any part of the Obligations by reason of priority of time or of the negotiation thereof or otherwise.

The lien of this Mortgage as to third persons without actual notice thereof shall be valid as to all indebtedness and future advances from the time this Mortgage is filed for record in the Office of the Recorder of Deeds of the County set forth on Exhibit A attached hereto. The total amount of indebtedness that may be secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance of the Note secured at any one time, shall not exceed the maximum principal amount of the Note (as amended, extended, substituted, restated, replaced or renewed from time to time), plus interest thereon and any disbursements made by the Lender for the payment of taxes, special assessments, or insurance on the above described real estate, with interest on such disbursements.

II. THE GRANT

2.01 Now, therefore, in order to secure the payment and performance of the Obligations and the covenants and agreements herein contained, Mortgagor does hereby grant, bargain, sell, convey, mortgage and warrant to Lender and its successors and assigns forever the real estate, and all of its estate, right, title and interest therein, situated in the state and county as more particularly described in Exhibit A attached hereto and made a part hereof (the "Premises"), together with the following described property (the Premises and the following described property being collectively referred to hereinbelow as the "Property"), all of which other Property is hereby pledged primarily on a parity with the Premises and not secondarily:

- (a) All buildings and other improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration and repair of such improvement now or hereafter erected thereon, all of which materials shall be deemed to be included within the Property immediately upon the delivery thereof to the Premises;
- (b) All right, title, and interest of Borrower and/or Mortgagor, including any after-acquired title or reversion, in and to the rights of the ways, streets, avenues, sidewalks, and alleys adjoining the Premises;
- (c) Each and all of the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties and privileges of the Premises or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity, as well as any after acquired title, franchise or license and the reversions and remainders thereof;
- (d) All rents, issues, deposits and profits accruing and to accrue from the Premises and the avails thereof; and
- (e) All tenant's security deposits, utility deposits and insurance premium rebates to which Borrower and/or Mortgagor may be entitled or which Borrower and/or

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Mortgagor may be holding; all fixtures and personal property now or hereafter owned by Borrower and/or Mortgagor and attached to or contained in and used or useful in connection with the Premises or the aforesaid improvements thereon, including, without limitation, any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, fans, fittings, floor coverings, freezers, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, shipping dock load level, sinks, sprinklers, stokers, stoves, toilets, trash compactor systems, ventilators, wall coverings, washers, wastewater facilities, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution thereof, whether or not the same be attached to such improvements, it being intended, agreed and declared that all such property owned by Mortgagor and placed by it on the Premises or used in connection with the operation or maintenance thereof shall, so far as permitted by law, be deemed for the purposes of this Mortgage to be part of the real estate constituting and located on the Premises and covered by this Mortgage, and as to any of the aforesaid property that is not part of such real estate or does not constitute a "fixture," as such term is defined in the Uniform Commercial Code as enacted in the state in which the Property is located, this Mortgage shall be deemed to be, as well, a security agreement under such Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grant to Lender as "secured party," as such term is defined in such Code;

To Have and to Hold the same unto Lender and its successors and assigns forever for the purposes and uses herein set forth.

III. GENERAL AGREEMENTS

3.01 Principal and Interest. All of the Obligations shall be promptly paid when due at the times and in the manner provided in agreements, documents and instruments evidencing the Obligations.

3.02 Property Taxes. Mortgagor shall pay immediately, when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer charges and any other charges that may be asserted against the Property or any part thereof or interest therein, and shall furnish to Lender, upon Lender's written request, duplicate receipts therefor within 30 days after payment thereof. Mortgagor

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may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments, provided that:

- (a) such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of the Property or any part thereof or interest therein to satisfy the same; and
- (b) Mortgagor has notified Lender in writing of the intention of Mortgagor to contest the same before any tax or assessment has been increased by any interest, penalties or costs.

3.03 Tax Payments by Lender. Lender is hereby authorized upon 10 days notice to Mortgagor (or such lesser notice, including no notice, as is reasonable under the circumstances) to make or advance, in the place and stead of Mortgagor, any payment not paid when due relating to (A) taxes, assessments, water and sewer charges, and other governmental charges, fines, impositions or liens that may be asserted against the Property, or any part thereof (except liens being contested in good faith and by appropriate proceedings for which adequate reserves have been established), and may do so according to any bill, statement or estimate procured from the appropriate public office any tax, assessment, lien, sale, forfeiture or title or claim relating thereto; or (B) any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, charge or payment otherwise relating to any other purpose herein and hereby authorized, but not enumerated in this Paragraph 3.03 (except liens being contested in good faith and by appropriate proceedings for which adequate reserves have been established), whenever, in its judgment and discretion, such advance seems necessary or desirable to protect the full security intended to be created by this Mortgage. In connection with any such advance, Lender is further authorized, at its option, to obtain a continuation report of title or title insurance policy prepared by a title insurance company of Lender's choosing. All such advances and indebtedness authorized by this Paragraph 3.03 shall constitute additional indebtedness secured hereby and shall become immediately due and payable by Mortgagor to Lender without notice with interest at the highest rate specified in the Note.

Mortgagor shall on the first day of each month deposit with Lender one-twelfth (1/12) of the annual real estate taxes ("Taxes") assessed against the Property (and, if Lender shall so elect, any or all other Impositions) and Mortgagor shall accordingly make such deposits. In addition, if required by Lender, Mortgagor shall also deposit with Lender a sum of money which, together with the aforesaid monthly installments, will be sufficient to make payments of at least forty-five (45) days before such payments are due. If the amount of any such payment is not ascertainable at the time any such deposit is required to be made, the deposit shall be made on the basis of Lender's estimate thereof, and when such amount is fixed for the then-current year, Mortgagor shall promptly deposit any deficiency with Lender.

All funds so deposited, until so applied, shall constitute additional security for the Note, shall be held by Lender without interest (except to the extent required under applicable laws), and may be commingled with other funds of Lender. So long as no Event of Default shall exist and be continuing hereunder, and provided that Mortgagor shall have supplied, in the manner set forth in the next sentence of this subsection, the instructions, information and documents necessary for the Lender to make an effective application and payment of such funds, all funds so deposited shall be applied to the payment of Impositions in the order determined by Lender and in accordance with instructions to be furnished to Lender by Mortgagor. Mortgagor shall, at least thirty (30) days before the date on which the Impositions first become payable, furnish the Depository with bills and instructions for the payment of the Impositions and/or such other documents as are necessary for the payment of the same. If Mortgagor has

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not complied with any of the foregoing or, in any event, during the continuance of an Event of Default hereunder. Lender may apply funds so deposited in the order determined by Lender.

Upon an assignment or transfer of this Mortgage by Lender, Lender shall have the right to assign and/or transfer the unapplied balance of any amounts deposited pursuant to this Section 1.07, if any, to the assignee or transferee to be held for the purposes stated above and Lender shall thereupon be completely released from all liability with respect thereto. This provision shall apply to every transfer of such deposits to a new assignee or transferee. When the loan evidenced by the Note has been paid in full, and all other obligations of Mortgagor under the Documents have been performed and observed in full, Lender shall, and at any prior time, Lender, at its election, may, pay over or cause the Depository (if not Lender) to pay over the unapplied balance of the deposits, if any, to the record owner of the Security Property or its assignee and no other person shall have any right or claim thereto.

Mortgagor shall at all times have the right to contest the Taxes.

3.04 Insurance

(a) Hazard. Mortgagor shall keep the improvements now existing or hereafter erected on the Premises insured under a replacement cost form of insurance policy against loss or damage resulting from fire, windstorm and other hazards as may be reasonably required by Lender (including, but not limited to, flood insurance in an amount necessary to comply with applicable law), and to pay promptly, when due, any premiums on such insurance. Without limitation of the immediately preceding sentence, during construction that exceeds \$100,000.00 on any one Premises, Mortgagor shall maintain "Builders Risk" insurance with extended coverage over fire and other casualties using completed values for the amount of the full insurable value for all such improvements under construction at any time on the Premises, including equipment and materials delivered to the Premises for incorporation into the Property. All such insurance shall be in form and of content, and shall be carried in companies, approved in writing by Lender, and naming Lender as an additional insured, and all such policies and renewals thereof (or certificates evidencing the same), marked "paid," shall be delivered to Lender at least 30 days before the expiration of then existing policies and shall have attached thereto standard non-contributing mortgage clauses entitling Lender, as its interest may appear, to collect any and all proceeds payable under such insurance, as well as standard waiver of subrogation endorsements, so long as such subrogation endorsement can be obtained without additional cost to Mortgagor. Mortgagor shall not carry any separate insurance on such improvements concurrent in kind or form with any insurance required hereunder or contributing in the event of loss. In the event of a change in ownership of the Premises approved in writing by Lender, immediate notice thereof by messenger, facsimile or overnight delivery shall be delivered to all such insurers. In the event of any casualty loss, Mortgagor shall give immediate notice thereof by messenger to Lender. Mortgagor hereby permits Lender, at Lender's option, to adjust and compromise any such losses under any of the aforesaid insurance and, after deducting any of Lender's reasonable costs of collection, to use, apply, or disburse the balance of such insurance proceeds (i) toward repairing, restoring and rebuilding the aforesaid improvements, provided such repair, restoration or rebuilding is economically feasible and the security of this Mortgage is not thereby impaired, in which event Lender shall not be obliged to see to the proper application thereof nor shall the amount so released for such purposes be deemed a payment on the indebtedness secured thereby; or (ii) as a credit upon any portion of the indebtedness secured hereby, with the excess, if any, paid to Mortgagor; provided, however, that so long as no Default shall then exist and no Default shall exist at any time during the period of any repair, restoration and/or rebuilding of the aforesaid improvements, and subject to the provisions of the immediately following paragraph, upon Mortgagor's written request to Lender made on or before the disbursement of such insurance proceeds to Lender, such insurance proceeds shall be used to repair, restore and/or rebuild the aforesaid improvements. Unless Mortgagor and Lender otherwise agree

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in writing, any such application of proceeds to the sums secured by this Mortgage shall not extend or postpone the due date of any portion of the indebtedness secured hereby or change the amount of any installment due on such indebtedness.

To the extent any such insurance proceeds are used toward repairing, restoring and rebuilding such improvements, such proceeds shall be made available, from time to time, upon Lender being furnished with satisfactory evidence of the estimated cost of such repairs, restoration and rebuilding and with such architect's certificates, waivers of lien, certificates, contractors' sworn statements and other evidence of the estimated cost thereof and of payments as Lender may reasonably require and approve, and if the estimated cost of the work exceeds 5% of the original principal amount of the indebtedness secured hereby, with all plans and specifications for such plans, restoration and rebuilding as Lender may reasonably require and approve. Payments made prior to the final completion of the work shall not exceed 90% of the value of the work performed, from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of Lender shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens. In the event of foreclosure of this Mortgage or other transfer of title to the Premises in extinguishment of the indebtedness secured hereby, all right, title and interest of Mortgagor in and to any such insurance policies then in force, and any claims or proceeds thereunder, shall pass to Lender or any purchaser or grantee therefrom. In the Event of a Default, Lender may, at any time in its reasonable discretion, procure and substitute for any and all of such insurance policies, such other policies of insurance and carried in such companies, as it may select.

(b) Liability. Mortgagor shall carry and maintain such comprehensive public liability and workmen's compensation insurance as may be reasonably required from time to time by Lender in form and of content, in amounts, and with companies approved in writing by Lender, and naming Lender as additional insured. Certificates of such insurance, premiums prepaid, shall be deposited with Lender and shall contain provision for 20 days' notice to Lender prior to any cancellation thereof.

3.05 Condemnation and Eminent Domain. Any and all awards heretofore or hereafter made or to be made to the present, or any subsequent, owner of the Property, by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all or any part of the Premises, any improvement located thereon, or any easement thereon or appurtenance thereof (including any award from the United States government at any time after the allowance of a claim therefor, the ascertainment of the amount thereto, and the issuance of a warrant for payment thereof), are hereby assigned by Mortgagor to Lender, which awards Lender is hereby authorized to collect and receive from the condemnation authorities, and Lender is hereby authorized to give appropriate receipts therefor. Mortgagor shall give Lender immediate notice of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting all or any part of the Premises, or any easement thereon or appurtenance thereof (including severance of, consequential damage to, or change in grade of streets), and shall deliver to Lender copies of any and all papers served in connection with any such proceedings. Mortgagor further agree to make, execute and deliver to Lender, at any time upon request, free, clear and discharged of any encumbrance of any kind whatsoever, any and all further assignments and other instruments deemed necessary by Lender for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter made to Mortgagor for any taking, either permanent or temporary, under any such proceeding.

3.06 Maintenance of Property. No building or other improvement on the Premises shall, in amounts exceeding \$100,000.00, be altered, removed or demolished, nor shall any substantial fixtures, chattels or articles of personal property pledged pursuant to this Mortgage on, in, or about the Premises be severed, removed, sold or mortgaged, without the prior written consent of Lender, which consent will not be unreasonably withheld, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered by this Mortgage, except with the prior

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written consent of Lender, which consent will not be unreasonably withheld, the same shall be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from any other security interest therein, encumbrances thereon, or reservation of title thereto. Mortgagor shall promptly repair, restore or rebuild any building or other improvement now or hereafter situated on the Premises that may become damaged or be destroyed. Any such building or other improvement shall be so repaired, restored or rebuilt so as to be of at least equal value and of substantially the same character as prior to such damage or destruction. Mortgagor further agree not to permit, commit or suffer any waste, impairment or deterioration of the Property or any part thereof; to keep and maintain the Property and every part thereof in good repair and condition; to effect such repairs as Lender may reasonably require, and, from time to time, to make all necessary and proper replacements thereof and additions thereto so that the Premises and such buildings, other improvement, fixtures, chattels and articles of personal property will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed.

3.07 Compliance with Laws. Mortgagor shall comply in all material respects with all statutes, ordinances, regulations, rules, orders, decrees and other requirements relating to the Property or any part thereof by any federal, state or local authority; and shall observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, without limitation, zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions that are applicable to the Property or that have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Property.

3.08 Liens and Transfers. Without Lender's prior written consent, Mortgagor shall neither sell, transfer, convey, assign, hypothecate or otherwise transfer the title to or any beneficial interest in all or any portion of the Property, whether by operation of law, voluntarily, or otherwise, contract to do any of the foregoing, nor create, suffer or permit to be created or filed against the Property or any part thereof hereafter any mortgage lien or other lien on the Property; provided, however, that Mortgagor may, within 10 days after the filing thereof, contest any lien claim arising from any work performed, material furnished, or obligation incurred by Mortgagor upon furnishing Lender security and indemnification or setting aside reserves satisfactory to Lender for the final payment and discharge thereof. Without limiting the generality of the foregoing, any sale, conveyance, assignment, hypothecation or transfer prohibited in the Loan Agreement shall be deemed a sale, conveyance, assignment, hypothecation or other transfer prohibited by the foregoing sentence. Any waiver by Lender of the provisions of this Paragraph 3.08 shall not be deemed to be a waiver of the right of Lender in the future to insist upon strict compliance with the provisions hereof.

3.09 Subrogation to Prior Lienholder's Rights. If the proceeds of the indebtedness secured hereby, any part thereof, or any amount paid out or advanced by Lender is used directly or indirectly to pay off, discharge or satisfy in whole or in part, any prior lien or encumbrance upon the Property or any part thereof, then Lender shall be subrogated to the rights of the holder thereof in and to such other lien or encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

3.10 Lender's Dealings with Transferee. In the event of the sale or transfer, by operation of law, voluntarily or otherwise, of all or any part of the Property, or of any beneficial interest therein prior to the satisfaction of the Obligations, Lender shall be authorized and empowered to deal with the vendee or transferee with regard to (a) the Property or any beneficial interest therein; (b) the indebtedness secured hereby; and (c) any of the terms or conditions hereof as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from its covenants hereunder.

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3.11 Stamp Taxes. If at any time the United States government, or any federal, state, county or municipal governmental subdivision, requires or imposes Internal Revenue or other documentary stamps, levies, or any tax on this Mortgage or on the Obligations, then, to the extent Lender has or will make any payment related thereto and to the greatest extent permitted by law, such indebtedness shall be and become due and payable by Mortgagor to Lender 30 days after the mailing by Lender of notice of such indebtedness to Mortgagor.

3.12 Change in Laws. In the event of the enactment, after the date of this Mortgage, of any law of the state in which the Premises are located imposing upon Lender the payment of all or any part of the taxes, assessments, charges, or liens hereby required to be paid by Mortgagor, or changing in any ways the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagor's interest in the Property, or the manner of collection of taxes, so as to affect this Mortgage or the indebtedness secured hereby or the holder thereof, then Mortgagor, upon demand by Lender, shall pay such taxes, assessments, charges or liens or reimburse Lender therefor; provided, however, that if, in the opinion of counsel for Lender, it might be unlawful to require Mortgagor to make such payment or the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then Lender may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to become due and payable within 60 days after the giving of such notice; provided, further, that nothing contained in this Paragraph shall be construed as obligating Mortgagor to pay any portion of Lender's federal income tax.

3.13 Inspection of Property. Mortgagor shall permit Lender and its representatives and agents, up to 4 times a year, to inspect the Property from time to time during normal business hours and as frequently as Lender considers reasonable.

3.14 Inspection of Books and Records. Mortgagor shall keep and maintain such books and records as required by the Lender and shall permit Lender reasonable access to and rights of inspection of said books and records.

3.15 Environmental Conditions. Mortgagor hereby represents and warrants to Lender that except as set forth in the Environmental Audit (as defined in the Loan Agreement) no hazardous or toxic substances, within the meaning of any applicable statute or regulation, whether federal, state or local, are presently stored or otherwise located on the Property, or to the best of their knowledge on any real estate adjacent to the Property, except in accordance with all applicable laws, regulations and rules.

Mortgagor covenants and agrees that all hazardous and toxic substances within the definition of any applicable statute, regulation or rule (whether federal, state or local), which may be used by any person for any purpose upon the Property, shall be used or stored thereon only in a safe, approved manner, in accordance with all industrial standards and all laws, regulations, and requirements for such storage promulgated by any governmental authority, that the Property will not be used for the principal purpose of storing such substances, and that no such storage or use will otherwise be allowed on the Property which cause or which will increase the likelihood of causing the release of such substances onto the Property. Upon the written request of Lender to Mortgagor, Lender, its attorneys, employees, agents or other persons or entities designated by Lender shall, from time to time, and at any time, be allowed to enter upon the Property and conduct environmental examinations and environmental audits of the Property, all in form, manner and type as Lender may then require in its sole discretion. Mortgagor shall fully cooperate and make the Property available to Lender at such times as Lender may reasonably request in order to conduct such environmental examinations and environmental audits.

Mortgagor hereby agrees to give immediate notice of any violation of any federal, state or local statute, rule or regulation dealing with the presence or suspected presence of any hazardous or toxic

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substances or conditions affecting the Property. Mortgagor covenants and agrees to promptly contain and clean up any and all releases of hazardous substances on the Property to the extent required by law. Notwithstanding any language or provision of this Mortgage to the contrary, Mortgagor hereby unconditionally give the Lender the right, but not the obligation, and Lender does not so obligate itself, to undertake to contain and clean up releases of hazardous substances on the Property. Mortgagor hereby indemnifies, holds and saves Lender harmless of and from any and all loss, costs (including reasonable attorneys' fees), liability and damage whatsoever incurred by Lender, by reason of any violation of any applicable statute, rule or regulation for the protection of the environment which occurs upon the Property or by reason of the imposition of any governmental lien for the recovery of environmental clean-up costs related to the Property expended by reason of such violation; provided that, to the extent that Lender is strictly liable under any such statute, Mortgagor's obligation to Lender under this indemnity shall likewise be without regard to fault on the part of Mortgagor with respect to the violation of law which results in liability to the Lender. Mortgagor further agree that this indemnity shall continue and remain in full force and effect beyond the term of the indebtedness or obligation which is secured by this Mortgage and shall be terminated only when there is no further obligation of any kind whether in law or in equity or otherwise of Lender in connection with any such environmental clean-up costs, environmental liens, or environmental matters involving the Property.

3.16 Acknowledgment of Debt. Mortgagor shall furnish from time to time, a written statement, duly acknowledged, specifying the amount due under the Note and this Mortgage and disclosing whether any alleged offsets or defenses exist against the indebtedness secured hereby.

3.17 Other Amounts Secured. At all times, this Mortgage secures in addition to the Note, any other amounts as provided herein; provided, however, that in no event shall the aggregate principal indebtedness secured by this Mortgage exceed the aggregate original principal amount of the Note, multiplied by a factor of three.

3.18 Assignments of Rents and Leases. Mortgagor hereby assigns, transfers and sets over unto Lender all the rents, fees or payments now or hereafter due, under or by virtue of any lease, either oral or written, or any letting of, or any agreement for the use or occupancy of any part of the Property, whether heretofore, now or hereafter agreed to and all leases and modifications thereof, now existing or hereafter made relating to the Property; together with the right to let and relet the Property or any part thereof, in Lender's sole discretion, and to do anything with respect to the Property as Mortgagor might do. Any proceeds received hereunder may be applied by Lender as otherwise provided in Paragraph 4.08 of this Mortgage. Mortgagor hereby directs all tenants, lessees and occupants of the Property to pay all rental, payments or fees for use and occupancy of the Property in accordance herewith. Lender agrees not to exercise its rights granted in this Paragraph 3.18 until a Default, as hereafter defined, shall have occurred. Mortgagor shall execute, acknowledge, and deliver to Lender, within 10 days after request by Lender, such assignment of rent documents required by Lender, in form and of content satisfactory to Lender. Mortgagor further agrees to pay to Lender all costs and expenses incurred by Lender in connection with the preparation, execution and recording of any such document, which shall not exceed \$3,000.00.

3.19 Declaration of Subordination. At the option of Lender, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation or eminent domain award) to any and all leases of all or any part of the Property upon the execution by Lender and recording thereof, at any time hereafter, in the appropriate official records of the County in which the Premises are located of a unilateral declaration to that effect.

3.20 Security Instruments. Mortgagor shall execute, acknowledge and deliver to Lender, within 5 days after request by Lender, a security agreement, financing statements and any other similar

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security instrument required by Lender, in form and of content satisfactory to Lender, covering all property of any kind whatsoever owned by Mortgagor that, in the sole opinion of Lender, is essential to the operation of the Property and concerning which there may be any doubt whether title thereto has been conveyed, or a security interest therein perfected, by this Mortgage under the laws of the State of Illinois. Mortgagor shall further execute, acknowledge and deliver any financing statement, affidavit, continuation statement, certificate, or other document as Lender may reasonably request in order to perfect, preserve, maintain, continue, and extend such security instruments. Mortgagor further agrees to pay to Lender all costs and expenses incurred by Lender in connection with the preparation, execution, recording, filing and refiling of any such documents.

3.21 Releases. Lender, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, may release from the lien all or any part of the Property, or release from liability any person obligated to repay any indebtedness secured hereby, without in any way affecting the liability of any party to any Note or this Mortgage, and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party liable therefor to extend the time for payment of any part or all of such indebtedness. Any such agreement shall not in any way release or impair the lien created by this Mortgage or reduce or modify the liability of any person or entity obligated personally to repay the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest, subject to the indebtedness secured hereby, in the Property.

3.22 Interest Laws. Mortgagor hereby warrants and represents that the proceeds of the Note will be paid to an entity and/or used for the purposes specified in Section 205/4(1)(I) of Chapter 815, of the Illinois Compiled Statutes and that the principal obligations secured hereby constitutes a business loan which comes within the purview and operation of such paragraph. It being the intention of Lender and Mortgagor to comply with the laws of the State of Illinois, it is agreed that notwithstanding any provision to the contrary in any Note or this Mortgage, no such provision shall require the payment or permit the collection of any amount ("Excess Interest") in excess of the maximum amount of interest permitted by law to be charged. In determining whether or not any Excess Interest is provided for, the provisions contained in the Note with respect to such determination shall control. If any Excess Interest is provided for, or is adjudicated to be provided for, in any Note or this Mortgage then in such event (a) the provisions of this Paragraph 3.22 shall govern and control; (b) Mortgagor shall not be obligated to pay any Excess Interest; and (c) any Excess Interest that Lender may have received hereunder shall, at the option of Lender, be (i) applied as a credit against the then unpaid principal balance under the Note, or accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to the payor thereof, or (iii) any combination of the foregoing.

3.23 Waiver of Statutory Rights. To the greatest extent permitted by law, (a) Mortgagor shall not apply for or avail themselves of any appraisal, valuation, redemption, stay, extension or exemption laws, or any so-called "moratorium laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waive the benefit of such laws; and (b) Mortgagor, for itself, any and all persons or entities who may claim through or under it and each and every person or entity acquiring any interest in the Property or title to the Premises subsequent to the date of this Mortgage, hereby also waive (i) any and all rights to have the Property and estates comprising the Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Property sold in its entirety; and (ii) any and all rights of (1) redemption from sale under any order or decree of foreclosure of the lien hereof pursuant to the rights herein granted; and (2) homestead in the Premises which Mortgagor may now or hereafter have under the laws of the state in which the Property is located.

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IV. DEFAULTS AND REMEDIES

4.01 Events Constituting Defaults. Each of the following events shall constitute a default (a "Default") under this Mortgage:

- (a) Any default or event of default (howsoever such terms are defined) under the Loan Agreement, any Note or any of the Documents (as defined in the Loan Agreement) shall occur.

4.02 Acceleration of Maturity. At any time during the existence of any Default, and at the option of Lender, the entire principal amount then outstanding under the Note, and all other sums due from Mortgagor under this Mortgage shall without notice become immediately due and payable.

4.03 Foreclosure of Mortgage. Upon occurrence of any Default, or at any time thereafter, in addition to any and all other remedies available to Lender under applicable law, Lender may proceed to foreclose the lien of this Mortgage by judicial proceedings in accordance with the laws of the state in which the Property is located. Any failure by Lender to exercise such option shall not constitute a waiver of its right to exercise the same at any other time.

4.04 Lender's Continuing Remedies. The failure of Lender to exercise either or both of its remedies to accelerate the maturity of the indebtedness secured hereby and/or to foreclose the lien hereof following any Default as aforesaid, or to exercise any other remedy granted to Lender hereunder or under applicable law in any one or more instances, or the acceptance by Lender of partial payments of such indebtedness, shall neither constitute a waiver of any such Default or of Lender's remedies hereunder or under applicable law nor establish, extend or affect any grace period for payments due under any Note, but such remedies shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Lender, may at Lender's option be rescinded by written acknowledgment to that effect by Lender and shall not affect Lender's right to accelerate maturity upon or after any future Default.

4.05 Litigation Expenses. In any proceeding to foreclose the lien of this Mortgage or enforce any other remedy of Lender under the Loan Agreement, any Note or this Mortgage, or in any other proceeding whatsoever in connection with any of the Property in which Lender is named as a party, there shall be allowed and included, as additional indebtedness in the judgment or decree resulting therefrom, all expenses paid or incurred in connection with such proceeding by or on behalf of Lender constituting attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, survey costs and costs (which may be estimated as to items to be expended after entry of such judgment or decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and any similar data and assurances with respect to title to the Premises as Lender may deem reasonably necessary either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to such judgment the true condition of the title to or value of the Premises or the Property. All expenses of the foregoing nature, and such expenses as may be incurred in the protection of any of the Property and the maintenance of the lien of this Mortgage thereon, including without limitation the fees of any attorney employed by Lender in any litigation affecting any Note, this Mortgage, or any of the Property, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall be immediately due and payable by Mortgagor.

4.06 Performance by Lender. In the event of any Default, Lender may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Lender, and Lender may, but need not, make full or partial payments of principal or interest on encum-

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branches, if any; purchase, discharge, compromise, or settle any tax lien or other prior or junior lien or title or claim thereof; redeem from any tax sale or forfeiture affecting the Property; or contest any tax or assessment thereon. All monies paid for any of the purposes authorized herein and all expenses paid or incurred in connection therewith, including attorney's fees, and any other monies advanced by Lender to protect the Property and the lien of this Mortgage, shall be additional indebtedness secured hereby, and shall become immediately due and payable by Mortgagor to Lender without notice, with interest at the highest rate specified in the Note. Inaction of Lender shall never be construed to be a waiver of any right accruing to it by reason of any default by Mortgagor.

4.07 Intentionally Deleted

4.08 Priority of Payments. Any rents, issues, deposits, profits, and avails of the Property received by Lender after taking possession of all or any part of the Property, or pursuant to any assignment thereof to Lender under the provisions of this Mortgage, shall (unless otherwise required pursuant to order of court) be applied in payment of or on account of the following, in the order listed:

- (a) operating expenses of the Property (including reasonable compensation to Lender, any receiver of the Property, any agent or agents to whom management of the Property has been delegated, and also including lease commissions and other compensation for and expenses of seeking and procuring tenants and entering into leases, establishing claims for damages, if any, and paying premiums on insurance hereinabove authorized);
- (b) taxes, special assessments, and water and sewer charges now due or that may hereafter become a lien thereon prior to the lien of this Mortgage;
- (c) any and all reasonable repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Property (including, without limitation, the cost of placing the Property in such condition as will, in the judgment of Lender or any receiver, make it readily rentable or salable);
- (d) any indebtedness secured by this Mortgage or any deficiency that may result from any foreclosure sale pursuant hereto; and
- (e) any remaining funds to Mortgagor or their successors or assigns, as their interests and rights may appear as may be determined by Lender in its sole discretion.

4.09 Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose the lien of this Mortgage, the court may, upon application, appoint a receiver of the Property. Such appointment may be made either before or after foreclosure sale, without notice; without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the indebtedness secured hereby; without regard to the value of the Property at such time and whether or not the same is then occupied as a homestead; and without bond being required of the applicant. Such receiver shall have the power to take possession, control and care of the Property

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and to collect all rents, issues, deposits, profits and avails thereof during the pendency of such foreclosure suit and, in the event of a sale and a deficiency where Mortgagor have not waived their statutory rights of redemption, during the full statutory period of redemption, as well as during any further times when Mortgagor or their devisees, legatees, heirs, executors, administrators, legal representatives, successors or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, deposits, profits and avails, and shall have all other powers that may be necessary or useful in such cases for the protection, possession, control, management and operation of the Property during the whole of any such period. To the extent permitted by law, such receiver may be authorized by the court and/or Lender to extend or modify any then existing leases and to make new leases of the Property or any part thereof, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the indebtedness secured hereby, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Property are subject to the lien hereof, and upon the purchaser or purchasers at any such foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedness, satisfaction of foreclosure decree, or issuance of certificate of sale or deed to any purchaser.

4.10 Foreclosure Sale. In the event of any foreclosure sale of the Property, the same may be sold in one or more parcels. Lender may be the purchaser at any foreclosure sale of the Property or any part thereof.

4.11 Application of Proceeds. The proceeds of any foreclosure sale of the Property, or any part thereof, shall be distributed and applied in the following order of priority: (a) on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraph 4.05 hereof; (b) all other items that, under the terms of this Mortgage, constitute secured indebtedness additional to that evidenced by the Note; (c) all indebtedness remaining unpaid under the Note; and (d) the balance to Mortgagor or its successors or assigns, as their interests and rights may appear.

4.12 Application of Deposits. In the event of any Default, Lender may, at its option, without being required to do so, apply any money or securities that constitute deposits made to or held by Lender or any depository pursuant to any of the provisions of this Mortgage toward payment of any of Mortgagor's obligations under any Note or this Mortgage in such order and manner as Lender may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Property. Such deposits are hereby pledged as additional security for the prompt payment of the indebtedness evidenced by the Note and any other indebtedness secured hereby and shall be held to be applied irrevocably by such depository for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor.

4.13 Remedies Severable and Cumulative. All provisions contained herein pertaining to any remedy of Lender shall be and are severable and cumulative, and the holder of the Obligations hereby may recover judgment hereon, issue execution therefor, and resort to every other right or remedy available at law or in equity without first exhausting and without affecting or impairing the security or any right or remedy afforded hereby.

4.14 Rent. During the continuance of any Default and if Lender or any judicially appointed representative has a right to exclude Mortgagor from all or any part of the Property, Mortgagor agree to pay the fair and reasonable rental value for the use and occupancy of the Property, or any portion thereof which are in their possession and being occupied for such period and, upon default of any such payment, will vacate and surrender possession of the Property to Lender or to a receiver, if any, and in default

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thereof may be evicted by any summary action or proceeding for the recovery or possession of premises for non-payment of rent, however designated.

V. MISCELLANEOUS

5.01 Notices. All notices required under this Mortgage will be in writing and will be transmitted in the manner and to the addresses required by the Loan Agreement, or to such other addresses as the Lender and the Borrower may specify from time to time in writing. Except as otherwise specifically required herein, notice of the exercise of any right or option granted to Lender by this Mortgage is not required to be given.

5.02 Covenants Run with Land. All of the covenants of this Mortgage shall run with the land constituting the Premises.

5.03 Governing Law. The validity and interpretation of this Mortgage shall be governed and construed in accordance with the laws of the state in which the Property is located. To the extent that this Mortgage may operate as a security agreement under the Uniform Commercial Code, Lender shall have all rights and remedies conferred therein for the benefit of a secured party, as such term is defined therein.

5.04 Severability. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstance, is held invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included herein.

5.05 Non-Waiver. Unless expressly provided in this Mortgage to the contrary, no consent or waiver, express or implied, by Lender to or of any breach or default by Mortgagor in the performance by Mortgagor of any obligations contained herein shall be deemed a consent to or waiver by Lender of such performance in any other instance or any other obligations hereunder.

5.06 Headings. The headings of sections and paragraphs in this Mortgage are for convenience or reference only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

5.07 Grammar. As used in this Mortgage, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

5.08 Deed in Trust. If title to the Property or any part thereof is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein against the creation of any lien on the Property shall be construed as a similar prohibition or restriction against the creation of any lien on or security interest in the beneficial interest or power of direction of such trust.

5.09 Successors and Assigns. This Mortgage and all provisions hereof shall be binding upon Mortgagor, and its successors, assigns, legal representatives and all other persons or entities claiming under or through Mortgagor and the word "Mortgagor," when used herein, shall include all such persons and entities and any others liable for the payment of the indebtedness secured hereby or any part thereof, whether or not they have executed any Note or this Mortgage. The word "Lender," when used herein, shall include Lender's successors, assigns, and legal representatives, including all other holders, from time to time, of any Note.

5.10 Release. Lender shall release this Mortgage and the lien thereof by proper instrument upon presentation of satisfactory evidence that all indebtedness secured by this Mortgage has been fully paid.

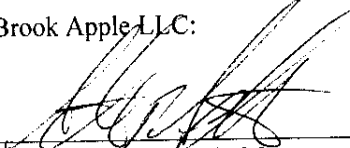
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5.11 Fees and Expenses. Mortgagor shall pay all of the reasonable and necessary fees and expenses of Lender with respect to the preparation of this Mortgage, the Note and any other documents, instruments or agreements deemed necessary by Lender in connection with this transaction, including, without limitation, reasonable attorneys' fees, not to exceed \$3,000.00.

5.12 Cross Default. Notwithstanding any provision to the contrary contained in this Mortgage, Mortgagor acknowledges and agrees that a Default under the Note, the Loan Agreement or any other Loan Document, including the other Mortgages, is a default under this Mortgage. For purposes of this section, the term "default" shall have the respective meanings ascribed to it in each of the Note, the Loan Agreement or any other Loan Document and this Mortgage.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed as of the date hereinabove first written.

Oak Brook Apple LLC:

By: 
Title: Stephen P. Schostok, Manager

Property of Cook County Clerk's Office

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EXHIBIT A – LEGAL DESCRIPTION

ALL THAT PART OF LOT 3 IN LINNEMANN'S DIVISION OF THE SOUTH 3/4 OF THE EAST 1/2 OF THE NORTHEAST 1/4 AND THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE SOUTH 477.78 FEET OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE EAST LINE OF LOT 3 WITH THE NORTHERLY LINE OF ALGONQUIN ROAD AS DEDICATED BY DOCUMENT NO. 11195787; THENCE WEST AND NORTH ALONG THE NORTHERLY LINE OF SAID ROAD, BEING A CURVED LINE CONVEX TO THE SOUTH AND HAVING A RADIUS OF 996.48 FEET, 469.44 FEET, ARC MEASURE TO A POINT OF TANGENT; THENCE NORTH 62 DEGREES, 40 MINUTES, 50 SECONDS WEST ALONG THE NORTHERLY LINE OF ALGONQUIN ROAD, TANGENT WITH THE LAST DESCRIBED CURVED LINE, 110.0 FEET; THENCE NORTH 27 DEGREES 19 MINUTES 10 SECONDS EAST, 100 FEET TO A POINT OF CURVE; THENCE NORTH AND EAST ALONG A CURVED LINE, TANGENT WITH THE LAST DESCRIBED LINE, CONVEX TO THE EAST AND HAVING A RADIUS OF 808.0 FEET, 121.0 FEET, ARC MEASURE, THENCE SOUTH 67 DEGREES, 05 MINUTES 16 SECONDS EAST, 480.95 FEET TO A POINT ON THE EAST LINE OF SAID LOT 3, 228.0 FEET NORTH OF THE POINT OF BEGINNING; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 3, 228.00 FEET TO THE POINT OF BEGINNING, ALL IN COOK COUNTY, ILLINOIS

PIN: 08-23-202-013

Common Address: 1500 East Algonquin Road
Arlington Heights, Illinois