

UNOFFICIAL COPY

Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1415742092 Fee: \$74.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 06/08/2014 02:31 PM Pg: 1 of 19

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 10-09-315-019-0000

Address:

Street: 5250 GOLF ROAD

Street line 2:

City: SKOKIE

State: IL

ZIP Code: 60077

Lender: THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

Borrower: LOCK UP OLD ORCHARD, L.L.C.

Loan / Mortgage Amount: \$131,700,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Box 400-CTCC

Certificate number: AED856DE-3D28-475B-9709-E1438E80A561

Execution date: 05/27/2014

S Y
P 19
S N
SG V
INT

8961796 ESZOPA 1.F.3

Property of Cook County Clerk's Office

UNOFFICIAL COPY**THIS DOCUMENT PREPARED BY
AND WHEN RECORDED MAIL TO:**

Dechert LLP
 One Bush Street, Suite 1600
 San Francisco, CA 94104
 Attention: Kahlil T. Yearwood

[SPACE ABOVE THIS LINE FOR RECORDER'S USE]

Prudential Loan Number: 706-109-456 & 706-109-457

**MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING
WITH ASSIGNMENT OF LEASES AND RENTS**

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING WITH ASSIGNMENT OF LEASES AND RENTS (this "*Mortgage*") dated as of May 27, 2014, is made by LOCK UP OLD ORCHARD, L.L.C., a Delaware limited liability company, having its principal office and place of business at c/o SHS Development Company, 800 Frontage Road, Northfield, IL 60093, as mortgagor ("*Mortgagor*"), to THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, a New Jersey corporation, having an office at c/o Prudential Asset Resources, Inc., 2100 Ross Avenue, Suite 2500, Dallas, Texas 75201, Attention: Asset Management Department; Reference Loan No. 706-109-456, as mortgagee ("*Lender*").

Recitals

Lender has made a loan ("*Loan*") to Mortgagor and to LOCK UP CAPE COD - LIMITED PARTNERSHIP, a Massachusetts limited partnership, NORTHFIELD SELF STORAGE CENTERS, L.L.C., a Delaware limited liability company, LOCK UP SARASOTA - DOWNTOWN, LLC, a Delaware limited liability company, LOCK UP - EVERGREEN DEVELOPMENT SERIES LLC, a Delaware limited liability company, with Series on behalf of its Bloomington Development Series, LOCK UP - EVERGREEN DEVELOPMENT SERIES LLC, a Delaware limited liability company, with Series on behalf of its Eden Prairie Development Series, LOCK UP ARMITAGE, L.L.C., a Delaware limited liability company, LOCK UP KINZIE, L.L.C., a Delaware limited liability company, LOCK UP LISLE, L.L.C., a Delaware limited liability company, LOCK UP LIVINGSTON, L.L.C., a Delaware limited liability company, LOCK UP GOLDEN GATE PARKWAY, L.L.C., a Delaware limited liability company, LOCK UP PINE RIDGE, L.L.C., a Delaware limited liability company, LOCK UP NORTHFIELD, L.L.C., a Delaware limited liability company, LOCK UP OLD ORCHARD, L.L.C., a Delaware limited

UNOFFICIAL COPY

liability company, LOCK UP PARK RIDGE, L.L.C., a Delaware limited liability company, LOCK UP WESTWOOD, L.L.C., a Delaware limited liability company, LOCK UP - EVERGREEN DEVELOPMENT SERIES LLC, a Delaware limited liability company, with Series on behalf of its Honolulu Development Series, and LOCK UP - EVERGREEN DEVELOPMENT SERIES LLC, a Delaware limited liability company, with Series on behalf of its Plymouth Development Series (together with Mortgagor, "**Borrowers**") in the aggregate principal sum of ONE HUNDRED THIRTY-ONE MILLION SEVEN HUNDRED THOUSAND and no/100 U.S. DOLLARS (\$131,700,000.00), evidenced by that certain Promissory Note (Floating Rate) in the original principal sum of Twenty Million and No/100 U.S. Dollars (\$20,000,000.00), dated the same date as this Mortgage (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Floating Rate Note**"), and that certain Promissory Note (Fixed Rate) in the original principal sum of One Hundred Eleven Million Seven Hundred Thousand and No/100 U.S. Dollars (\$111,700,000.00), dated the same date as this Mortgage (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Fixed Rate Note**" and, collectively with the Floating Rate Note, the "**Note**"), and made pursuant to the Loan Agreement between Borrowers and Lender, dated the same date as this Mortgage (the "**Loan Agreement**"). The Floating Rate Note has a maturity date of June 5, 2021. The Fixed Rate Note has a maturity date of June 5, 2024.

Mortgagor desires to secure the payment of and the performance of all of the obligations of Borrowers under the Note and certain additional Obligations.

IN CONSIDERATION of the Loan and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Mortgagor irrevocably:

- A. Grants, bargains, sells, assigns, transfers, pledges, mortgages, warrants, and conveys to Lender, and grants Lender a security interest in, the following property, rights, interests and estates owned by Mortgagor (collectively, the "**Property**"):
- (i) The real property in Cook County, Illinois, and described in Exhibit A (the "**Land**");
 - (ii) All buildings, structures and improvements (including fixtures) now or later located in or on the Land (the "**Improvements**");
 - (iii) All easements, estates, and interests including hereditaments, servitudes, appurtenances, tenements, mineral and oil/gas rights, water rights, air rights, development power or rights, options, reversion and remainder rights, and any other rights owned by Mortgagor and relating to or usable in connection with or access to the Property;
 - (iv) All right, title, and interest owned by Mortgagor in and to all land lying within the rights-of-way, roads, or streets, open or proposed, adjoining the Land to the center line thereof, and all sidewalks, alleys, and strips and gores of land adjacent to or used in connection with the Property;
 - (v) All right, title, and interest of Mortgagor in, to, and under all plans, specifications, surveys, studies, reports, permits, licenses, agreements, contracts, instruments, books of account, insurance policies, and any other documents relating to the use, construction, occupancy, leasing, activity, or operation of the Property;

UNOFFICIAL COPY

- (vi) All of the fixtures and personal property described in Exhibit B owned by Mortgagor and replacements thereof; but excluding all personal property owned by any tenant (a "*Tenant*") of the Property;
- (vii) All of Mortgagor's right, title and interest in the proceeds (including conversion to cash or liquidation claims) of (A) insurance relating to the Property and (B) all awards made for the taking by eminent domain (or by any proceeding or purchase in lieu thereof) of the Property, including awards resulting from a change of any streets (whether as to grade, access, or otherwise) and for severance damages;
- (viii) All tax refunds, including interest thereon, tax rebates, tax credits, and tax abatements, and the right to receive the same, which may be payable or available with respect to the Property;
- (ix) All leasehold estates, ground leases, leases, subleases, licenses, or other agreements affecting the use, enjoyment or occupancy of the Property now or later existing, including without limitation, any Self-Storage Lease (as defined in the Loan Agreement), and any use or occupancy arrangements created pursuant to Title 7 or 11 of the United States Code, as amended from time to time, or any similar federal or state laws now or later enacted for the relief of debtors (the "*Bankruptcy Code*"), and all extensions and amendments thereto (collectively, the "*Leases*") and all of Mortgagor's right, title and interest under the Leases, including all guarantees thereof;
- (x) All rents, issues, profits, royalties, receivables, use and occupancy charges, (including all oil, gas or other mineral royalties and bonuses), income and other benefits now or later derived from any portion or use of the Property (including any payments received with respect to any Tenant or the Property pursuant to the Bankruptcy Code) and all cash, security deposits, advance rentals, or similar payments relating thereto (collectively, the "*Rents*") and all proceeds from the cancellation, termination, surrender, sale or other disposition of the Leases, and the right to receive and apply the Rents to the payment of the Obligations; and
- (xi) All of Mortgagor's rights and privileges heretofore or hereafter otherwise arising in connection with or pertaining to the Property, including, without limiting the generality of the foregoing, all water and/or sewer capacity, all water, sewer and/or other utility deposits or prepaid fees, and/or all water and/or sewer and/or other utility tap rights or other utility rights, any right or privilege of Mortgagor under any loan commitment, lease, contract, declaration of covenants, restrictions and easements or like instrument, developer's agreement, or other agreement with any third party pertaining to the ownership, development, construction, operation, maintenance, marketing, sale or use of the Property.

B. Absolutely and unconditionally assigns, sets over, and transfers to Lender all of Mortgagor's right, title, interest and estates in and to the Leases and the Rents, subject to the terms and license granted to Mortgagor under that certain Assignment of Leases and Rents made by Mortgagor to Lender dated as of the date hereof (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "*Assignment*").

TO HAVE AND TO HOLD the Property unto Lender and its successors and assigns forever, subject to the Permitted Encumbrances (as defined in the Loan Agreement) and the provisions, terms and conditions of this Mortgage.

UNOFFICIAL COPY

IN FURTHERANCE of the foregoing, Mortgagor warrants, represents, covenants and agrees as follows:

ARTICLE I - OBLIGATIONS; LOAN DOCUMENTS; INCORPORATION; DEFINITIONS

Section 1.01 Obligations

This Mortgage is executed, acknowledged, and delivered by Mortgagor to secure and enforce the following obligations of Mortgagor and the other Borrowers (collectively, the "*Obligations*");

- (a) Payment of the Note and all other obligations, indebtedness and liabilities under the Note and the other Loan Documents including (i) any Prepayment Premium, (ii) interest at both the Note Rate and at the Default Rate, if applicable and to the extent permitted by Laws, and (iii) renewals, extensions, and amendments of the Loan Documents;
- (b) Performance of every obligation, covenant, and agreement under the Loan Documents including renewals, extensions, and amendments of the Loan Documents; and
- (c) Payment of all sums advanced (including costs and expenses) by Lender pursuant to the Loan Documents including renewals, extensions, and amendments of the Loan Documents; and
- (d) Payment and performance of any future advances and other obligations that the then record owner of all or part of the Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Lender, when such future advance or obligation is evidenced by a writing which recites that it is secured by this Mortgage.

Notwithstanding the foregoing, or any other term contained herein or in the Loan Documents, none of the Obligations of Borrowers under or pursuant to the Environmental Indemnity shall be secured by the lien of this Mortgage.

Section 1.02 Incorporation

All of the provisions of the other Loan Documents (including, without limitation, the limited and full recourse liability provisions of Article 10 of the Loan Agreement) are incorporated into this Mortgage to the same extent and with the same force as if fully set forth in this Mortgage.

Section 1.03 Definitions

All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement.

ARTICLE II - SALE, TRANSFER, OR ENCUMBRANCE OF THE PROPERTY

It shall be an Event of Default and, at the sole option of Lender, Lender may accelerate the Obligations and the entire Obligations (including any Prepayment Premium) shall become immediately due and payable, if, without Lender's prior written consent (which consent may be given or withheld for any or for no reason or given conditionally, in Lender's sole discretion), there is any Transfer not permitted under the Loan Agreement.

UNOFFICIAL COPY

ARTICLE III - DEFAULTS AND REMEDIES

Section 3.01 Events of Default

The occurrence of an Event of Default (as such term is defined in Section 9.01 of the Loan Agreement) shall constitute, at Lender's option, an Event of Default under this Mortgage and the other Loan Documents.

Section 3.02 Remedies

If an Event of Default occurs, Lender or any person designated by Lender may (but shall not be obligated to) take any action (separately, concurrently, cumulatively, and at any time and in any order) permitted under any Laws, without notice, demand, presentment, or protest (all of which are hereby waived), to protect and enforce Lender's rights under the Loan Documents or Laws including the following actions:

- (a) accelerate and declare the entire unpaid Obligations immediately due and payable, provided, however, that if there is any Event of Default under Sections 9.01(f), 9.01(g), or 9.01(h) of the Loan Agreement, the Obligations shall be immediately due and payable without any declaration from Lender;
- (b) commence an action to foreclose this Mortgage in any manner provided hereunder or by law;
- (c) sell for cash or upon credit the Property and all right, title and interest of Mortgagor therein and rights of redemption thereof, pursuant to power of sale;
- (d) recover judgment on the Note either before, during or after any proceedings for the enforcement of the Loan Documents and without any requirement of any action being taken to (i) realize on the Property or (ii) otherwise enforce the Loan Documents;
- (e) seek specific performance of any provisions in the Loan Documents;
- (f) apply for the appointment of a receiver, custodian, trustee, liquidator, or conservator of the Property without (i) notice to any person, (ii) regard for (A) the adequacy of the security for the Obligations, or (B) the solvency of Mortgagor or any person liable for the payment of the Obligations; and Mortgagor and any person so liable waives or shall be deemed to have waived the foregoing and any other objections to the fullest extent permitted by Laws and consents or shall be deemed to have consented to such appointment;
- (g) with or without entering upon the Property, (i) exclude Mortgagor and any person from the Property without liability for trespass, damages, or otherwise; (ii) take possession of, and Mortgagor shall surrender on demand, all books, records, and accounts relating to the Property; (iii) give notice to Tenants or any person, make demand for, collect, receive, sue for, and recover in its own name all Rents and cash collateral derived from the Property; (iv) use, operate, manage, preserve, control, and otherwise deal with every aspect of the Property including (A) conducting its business, (B) insuring it, (C) making all repairs, renewals, replacements, alterations, additions, and improvements to or on it, (D) completing the construction of any Improvements in manner and form as Lender deems advisable, and (E) executing, modifying, enforcing, and terminating new and existing Leases on such terms as Lender deems advisable and evicting any Tenants in default; (v) apply the receipts from the Property to payment of the Obligations, in any order or priority

UNOFFICIAL COPY

determined by Lender, after first deducting all Costs, expenses, and liabilities incurred by Lender in connection with the foregoing operations and all amounts needed to pay the Impositions and other expenses of the Property, as well as just and reasonable compensation for the services of Lender and its attorneys, agents, and employees; and/or (vi) in every case in connection with the foregoing, exercise all rights and powers of Mortgagor or Lender with respect to the Property, either in Mortgagor's name or otherwise;

- (h) release any portion of the Property for such consideration, if any, as Lender may require without, as to the remainder of the Property, impairing or affecting the lien or priority of this Mortgage or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Obligations shall have been actually reduced, and Lender may accept by assignment, pledge, or otherwise any other property in place thereof as Lender may require without being accountable for so doing to any other lienholder;
- (i) apply any Deposits to the following items in any order and in Lender's sole discretion: (A) the Obligations, (B) Costs, (C) advances made by Lender under the Loan Documents, and/or (D) Impositions;
- (j) take all actions permitted under the Uniform Commercial Code ("**UCC**") of the Property State including (i) the right to take possession of all tangible and intangible personal property now or hereafter included within the Property (the "**Personal Property**") and take such actions as Lender deems advisable for the care, protection and preservation of the Personal Property and (ii) request Mortgagor at its expense to assemble the Personal Property and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Personal Property sent to Mortgagor at least ten (10) days prior to such action shall constitute commercially reasonable notice to Mortgagor; or
- (k) take any other action permitted under any Laws.

If Lender exercises any of its rights under Section 3.02(g), Lender shall not (a) be deemed to have entered upon or taken possession of the Property except upon the exercise of its option to do so, evidenced by its demand and overt act for such purpose; (b) be deemed a mortgagee in possession by reason of such entry or taking possession; nor (c) be liable (i) to account for any action taken pursuant to such exercise other than for Rents actually received by Lender, (ii) for any loss sustained by Mortgagor resulting from any failure to lease the Property, or (iii) any other act or omission of Lender except for losses caused by Lender's willful misconduct or gross negligence. Mortgagor hereby consents to, ratifies, and confirms the exercise by Lender of its rights under this Mortgage.

Section 3.03 Expenses

All Costs, expenses, allocated or accrued fees, or other amounts paid or incurred by Lender in the exercise of its rights under the Loan Documents, together with interest thereon at the applicable interest rate specified in the Loan Agreement, which shall be the Default Rate unless prohibited by Laws, shall be (a) part of the Obligations, (b) secured by this Mortgage, and (c) allowed and included as part of the Obligations in any foreclosure, decree for sale, power of sale, or other judgment or decree enforcing Lender's rights under the Loan Documents.

UNOFFICIAL COPY

Section 3.04 Rights Pertaining to Sales

To the extent permitted under (and in accordance with) any Laws, the following provisions shall, as Lender may determine in its sole discretion, apply to any sales of the Property under this Article III, whether by judicial proceeding, judgment, decree, power of sale, foreclosure or otherwise: (a) Lender may conduct a single sale of the Property or multiple sales of any part of the Property in separate tracts or in its entirety or any other manner as Lender deems in its best interests and Mortgagor waives any right to require otherwise; (b) if Lender elects more than one sale of the Property, Lender may at its option cause the same to be conducted simultaneously or successively, on the same day or on such different days or times and in such order as Lender may deem to be in its best interests, no such sale shall terminate or otherwise affect the lien of this Mortgage on any part of the Property not then sold, and Mortgagor shall pay the costs and expenses of each such sale; (c) any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice; or such sale may occur, without further notice, at the time fixed by the last postponement or a new notice of sale may be given; and (d) Lender may acquire the Property and, in lieu of paying cash, may pay by crediting against the Obligations the amount of its bid, after deducting therefrom any sums which Lender is authorized to deduct under the provisions of the Loan Documents. After any such sale, Lender shall deliver to the purchaser at such sale a deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in any such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any Person, including Mortgagor or Lender, may purchase at such sale.

Section 3.05 Application of Proceeds

Any proceeds received from any sale or disposition under this Article III or otherwise, together with any other sums held by Lender, shall, except as expressly provided to the contrary, be applied in the order determined by Lender to: (a) payment of all Costs and expenses of any enforcement action or foreclosure sale, transfer of title by power of sale, or otherwise, including interest thereon at the applicable interest rate specified in the Loan Agreement, which shall be the Default Rate unless prohibited by Laws, (b) all taxes, Assessments, and other charges unless the Property was sold subject to these items; (c) payment of the Obligations in such order as Lender may elect; (d) payment of any other sums secured or required to be paid by Mortgagor; and (e) payment of the surplus, if any, to any person lawfully entitled to receive it. Mortgagor and Lender intend and agree that during any period of time between any foreclosure judgment that may be obtained and the actual foreclosure sale that the foreclosure judgment will not extinguish the Loan Documents or any rights contained therein including the obligation of Mortgagor to pay all Costs and to pay interest at the applicable interest rate specified in the Loan Agreement, which shall be the Default Rate unless prohibited by Laws.

Section 3.06 Additional Provisions as to Remedies

No failure, refusal, waiver, or delay by Lender to exercise any rights under the Loan Documents upon any Default or Event of Default shall impair Lender's rights or be construed as a waiver of, or acquiescence to, such or any subsequent Default or Event of Default. No recovery of any judgment by Lender and no levy of an execution upon the Property or any other property of Mortgagor shall affect the lien and security interest created by this Mortgage and such liens, rights, powers, and remedies shall continue unimpaired as before. Lender may resort to any security given by this Mortgage or any other security now given or hereafter existing to secure the Obligations, in whole or in part, in such portions and in such order as Lender may deem advisable, and no such action shall be construed as a waiver of any of the liens, rights, or benefits granted hereunder. Acceptance of any payment after any Event of Default shall not be deemed a waiver or a cure of such Event of Default and such acceptance shall be deemed an acceptance on account only. If Lender has started enforcement of any right by foreclosure, sale, entry, or otherwise and such

UNOFFICIAL COPY

proceeding shall be discontinued, abandoned, or determined adversely for any reason, then Mortgagor and Lender shall be restored to their former positions and rights under the Loan Documents with respect to the Property, subject to the lien and security interest hereof.

Section 3.07 Waiver of Rights and Defenses

To the fullest extent Mortgagor may do so under Laws, Mortgagor (a) will not at any time insist on, plead, claim, or take the benefit of any statute or rule of law now or later enacted providing for any appraisal, valuation, stay, extension, moratorium, redemption, or any statute of limitations; (b) for itself, its successors and assigns, and for any person ever claiming an interest in the Property (other than Lender), waives and releases all rights of redemption, reinstatement, valuation, appraisal, notice of intention to mature or declare due the whole of the Obligations, all rights to a marshaling of the assets of Mortgagor, including the Property, or to a sale in inverse order of alienation, in the event of foreclosure (or extinguishment by transfer of title by power of sale) of the liens and security interests created under the Loan Documents; (c) shall not be relieved of its obligation to pay the Obligations as required in the Loan Documents nor shall the lien or priority of the Loan Documents be impaired by any agreement renewing, extending, or modifying the time of payment or the provisions of the Loan Documents (including a modification of any interest rate), unless expressly released, discharged, or modified by such agreement. Regardless of consideration and without any notice to or consent by the holder of any subordinate lien, security interest, encumbrance, right, title, or interest in or to the Property, Lender may (a) release any person liable for payment of the Obligations or any portion thereof or any part of the security held for the Obligations or (b) modify any of the provisions of the Loan Documents without impairing or affecting the Loan Documents or the lien, security interest, or the priority of the modified Loan Documents as security for the Obligations over any such subordinate lien, security interest, encumbrance, right, title, or interest.

Section 3.08 Additional Credit Bidding

In connection with any sale of the Property pursuant to Section 363 of the Bankruptcy Code or any plan under the Bankruptcy Code, Lender shall have the right to acquire the Property and, in lieu of paying cash, Lender shall have the right (at its option) to pay by crediting against the Obligations the amount of its bid, after deducting therefrom any sums which Lender is authorized to deduct under the provisions of the Loan Documents.

Section 3.09 Cross-Collateralization. In accordance with the terms and conditions of the Loan Agreement, without limitation to any other right or remedy provided to Lender in this Mortgage or any of the other Loan Documents, Mortgagor acknowledges and agrees that (i) upon the occurrence of an Event of Default, to the fullest extent permitted by law, Lender shall have the right to pursue all of its rights and remedies in one proceeding, or separately and independently in separate proceedings which Lender, in its sole and absolute discretion, shall determine from time to time; (ii) Lender shall not be required to either marshal assets, sell any collateral for the Loan in any inverse order of alienation, or be subjected to any “one action” or “election of remedies” law or rule; (iii) the exercise by Lender of any remedies against any of the collateral for the Loan shall not impede Lender from subsequently or simultaneously exercising remedies against other collateral for the Loan; (iv) all liens and other rights, remedies and privileges provided to Lender in the Loan Documents or otherwise shall remain in full force and effect until Lender has exhausted all of its remedies against the collateral for the Loan and all of the collateral for the Loan has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Loan; and (v) the Property, each of the other Properties (as defined in the Loan Agreement), the Personal Property (as defined herein), and the “Personal Property” as defined in each of the other Mortgages (as defined in the Loan Agreement) shall remain security for the performance of all the Borrowers’ obligations hereunder, under the Note and under any of the other Loan Documents, subject to Mortgagor’s right to release such collateral strictly in

UNOFFICIAL COPY

accordance with the terms and conditions set forth in Articles 7 and 8 of the Loan Agreement, respectively. Mortgagor acknowledges that it shall be jointly and severally liable for the obligations of each Borrower under the Loan Documents.

ARTICLE IV - SECURITY AGREEMENT AND FIXTURE FILING

Section 4.01 Security Agreement

This Mortgage constitutes both a real property mortgage and a “security agreement” within the meaning of the UCC as enacted in the state where the Land is located (the “UCC”). The Property includes real and personal property and all tangible and intangible rights and interest of Mortgagor in the Property. Mortgagor grants to Lender, as security for the Obligations, a security interest in the Personal Property to the fullest extent that the Personal Property may be subject to the UCC. Mortgagor authorizes Lender to file any financing or continuation statements and amendments thereto relating to the Personal Property without the signature of Mortgagor if permitted by Laws.

Section 4.02 Fixture Filing

This Mortgage covers certain goods which are or are to become fixtures related to the Land and constitutes a fixture filing under the UCC with respect to such goods executed by Mortgagor as debtor (in that capacity, “Debtor”) in favor of Lender as secured party (in that capacity, “Secured Party”). Mortgagor is the record owner of the Land. The filing is to be recorded with the Recorder of Deeds of Cook County, Illinois. In that regard the following information is provided:

- The name and identification number for Debtor is set out on the signature page to this Mortgage.
- Debtor is a limited liability company.
- The state of organization of Debtor is Delaware.
- The address of Debtor is c/o SHS Development Company, 800 Frontage Road, Northfield, IL 60093.
- The name of the Secured Party is The Prudential Insurance Company of America.
- The address of the Secured Party is set forth in the opening paragraph of this Mortgage.

ARTICLE V - ADDITIONAL PROVISIONS

Section 5.01 Usury Savings Clause

Without limiting Section 1.02 above, the provisions of Section 12.01 of the Loan Agreement are hereby incorporated by reference into this Mortgage to the same extent and with the same force as if fully set forth herein.

UNOFFICIAL COPY

Section 5.02 Notices

Any notice, request, demand, consent, approval, direction, agreement, or other communication (any “notice”) required or permitted under the Loan Documents shall be given in accordance with the Loan Agreement.

Section 5.03 Applicable Law and Submission to Jurisdiction

This Mortgage shall be governed by and construed in accordance with the laws of the Property State and the applicable laws of the United States of America. Without limiting Lender’s right to bring any Action (as defined in the Loan Agreement) in the courts of other jurisdictions, Mortgagor irrevocably (a) submits to the jurisdiction of any state or federal court in the Property State, (b) agrees that any Action may be heard and determined in such court, and (c) waives, to the fullest extent permitted by Laws, the defense of an inconvenient forum to the maintenance of any Action in such jurisdiction.

Section 5.04 General Terms

If any provision of the Loan Documents shall be held to be invalid, illegal, or unenforceable in any respect, this shall not affect any other provisions of the Loan Documents and such provision shall be limited and construed as if it were not in the Loan Documents. If title to the Property becomes vested in any person other than Mortgagor, then Lender may, without notice to Mortgagor, deal with such person regarding the Loan Documents or the Obligations in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor’s or any other Borrower’s liability under the Loan Documents or being deemed to have consented to the vesting. If both the lessor’s and lessee’s interest under any Lease ever becomes vested in any one person, this Mortgage and the lien and security interest created hereby shall not be destroyed or terminated by the application of the doctrine of merger, and Lender shall continue to have and enjoy all its rights and privileges as to each separate estate. Upon foreclosure (or transfer of title by power of sale) of this Mortgage, none of the Leases shall be destroyed or terminated as a result of such foreclosure (or transfer of title by power of sale), by application of the doctrine of merger or as a matter of law, unless Lender takes all actions required by law to terminate the Leases as a result of foreclosure (or transfer of title by power of sale). All of Mortgagor’s covenants and agreements under the Loan Documents shall run with the land and time is of the essence. This Mortgage cannot be amended, terminated, or discharged except in a writing signed by the party against whom enforcement is sought. No waiver, release, or other forbearance by Lender will be effective unless it is in a writing signed by Lender and then only to the extent expressly stated. The provisions of this Mortgage shall be binding upon Mortgagor and its heirs, devisees, representatives, successors, and assigns including successors in interest to the Property and inure to the benefit of Lender and its heirs, successors, substitutes, and assigns. Any reviews, inspections, reports, approvals or similar items conducted, made or produced by or on behalf of Lender with respect to Mortgagor, the Property or the Loan are for loan underwriting and servicing purposes only, and shall not constitute an acknowledgment, representation or warranty of the accuracy thereof, or an assumption of liability with respect to Mortgagor, Mortgagor’s contractors, architects, engineers, employees, agents or invitees, present or future tenants, occupants or owners of the Property, or any other party.

Section 5.05 Certain Obligations Unsecured

Notwithstanding anything to the contrary set forth herein or any of the Loan Documents, this Mortgage does not secure the following obligations (the “*Unsecured Obligations*”): (i) any obligations evidenced by or arising under the Environmental Indemnity, and (ii) any other obligations in this Mortgage or in any of the other Loan Documents to the extent that such other obligations relate specifically to the presence on the Property of Hazardous Materials and are the same or have the same effect as any of the obligations

UNOFFICIAL COPY

evidenced by or arising under the Environmental Indemnity. Any breach or default with respect to the Unsecured Obligations shall constitute an Event of Default hereunder, notwithstanding the fact that such Unsecured Obligations are not secured by this Mortgage. Nothing in this section shall, in itself, impair or limit Lender's right to obtain a judgment in accordance with applicable law after foreclosure for any deficiency in recovery of all obligations that are secured by this Mortgage following foreclosure.

ARTICLE VI - ILLINOIS PROVISIONS

Section 6.01 Additional Remedies

In addition to the remedies set forth in Article 3 of this Mortgage, Lender, at Lender's option, may foreclose this Mortgage by judicial proceeding and may invoke any other remedies permitted by applicable law or provided herein. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing such remedies, including, but not limited to, reasonable attorneys' fees, costs of documentary evidence, abstracts and title reports.

Section 6.02 Illinois Mortgage Foreclosure Law

Lender shall be entitled to the following benefits, among others, pursuant to the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101, et. seq.) (as from time to time amended, the "**Act**"):

- (a) Mortgagor and Lender shall have the benefit of all of the provisions of the Act, including all amendments thereto which may become effective from time to time after the date hereof. If any provision of this Mortgage shall be inconsistent with any provision of the Act, provisions of the Act shall take precedence over this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act.
- (b) Wherever provision is made in this Mortgage or the other Loan Documents for insurance policies to bear mortgage clauses or other loss payable clauses or endorsements in favor of Lender, or to confer authority upon Lender to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure all such rights and powers of the Lender shall continue in the Lender as judgment creditor or mortgagee until confirmation of sale.
- (c) UNLESS MORTGAGOR PROVIDES LENDER EVIDENCE OF THE INSURANCE COVERAGE REQUIRED HEREUNDER, LENDER MAY PURCHASE INSURANCE AT MORTGAGOR'S EXPENSE TO COVER LENDER'S INTEREST IN THE PROPERTY. THE INSURANCE MAY, BUT NEED NOT, PROTECT MORTGAGOR'S INTEREST. THE COVERAGES THAT LENDER PURCHASES MAY NOT PAY ANY CLAIM THAT MORTGAGOR MAKES OR ANY CLAIM THAT IS MADE AGAINST MORTGAGOR IN CONNECTION WITH THE PROPERTY. MORTGAGOR MAY LATER CANCEL ANY INSURANCE PURCHASED BY LENDER, BUT ONLY AFTER PROVIDING LENDER WITH EVIDENCE THAT MORTGAGOR HAS OBTAINED INSURANCE REQUIRED BY THIS MORTGAGE. IF LENDER PURCHASES INSURANCE FOR THE PROPERTY, MORTGAGOR WILL BE RESPONSIBLE FOR THE COSTS OF SUCH INSURANCE, INCLUDING WITHOUT LIMITATION, INTEREST AND ANY OTHER CHARGES WHICH LENDER MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE

UNOFFICIAL COPY

OBLIGATIONS. THE COST OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE MORTGAGOR MAY BE ABLE TO OBTAIN ON ITS OWN.

- (d) All reasonable advances, disbursements and expenditures made by Lender before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings authorized by this Mortgage or by the Act (collectively, "*Protective Advances*"), shall have the benefit of all applicable provisions of the Act. All Protective Advances shall be so much additional indebtedness secured by the Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Default Rate. This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time the Mortgage is recorded pursuant to Subsection (b) of Section 5/15-1302 of the Act. All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:
- (i) determination of the amount of indebtedness secured by the Mortgage at any time;
 - (ii) the indebtedness found due and owing to Lender in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;
 - (iii) if right of redemption has not been waived by the Mortgagor in this Mortgage, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 5/15-1603 of the Act;
 - (iv) determination of amount deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;
 - (v) application of income in the hands of any receiver or Lender in possession; and
 - (vi) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Act.
- (e) In addition to any provision of this Mortgage authorizing the Lender to take or be placed in possession of the Property, or for the appointment of a receiver, Lender shall have the right, in accordance with Sections 5/15-1701 and 5/15-1702 of the Act, to be placed in possession of the Property or at its request to have a receiver appointed, and such receiver, or Lender, if and when placed in possession, shall have, in addition to any other powers provided in the Mortgage, all powers, immunities, and duties as provided for in Sections 5/15-1701, 5/15-1703 and 5/15-1704 of the Act.

Section 6.03 Release

Upon payment of all sums secured by this Mortgage, Lender shall cancel this Mortgage and deliver to Mortgagor an original signed release of this Mortgage in recordable form. Mortgagor shall pay Lender's reasonable costs incurred in canceling this Mortgage.

Section 6.04 Attorneys' Fees

As used in this Mortgage, "attorneys' fees" shall mean "reasonable attorneys' fees."

UNOFFICIAL COPY

Section 6.05 Future Advances

Upon request of Mortgagor, Lender, at Lender's sole option (which Lender may decline to exercise in its sole and absolute discretion) within twenty years from the date of this Mortgage, may make (but shall be under no obligation to make) future advances to Mortgagor ("*Future Advances*"). Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed two hundred percent (200%) of the original amount of the Note plus interest thereon and any disbursements made for the payment of taxes, levies or insurance on the property encumbered by this Mortgage with interest on such disbursements at the Default Rate.

Section 6.06 Waiver of Rights of Redemption and Reinstatement

Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement of any rights or remedies of Lender under this Mortgage, but hereby waives the benefit of such laws and the benefit of any homestead or other exemptions which it may now or hereafter from time to time have with respect to the Property or the Obligations hereby secured. Mortgagor for itself and all creditors, mortgagees, trustees, lienholders and other persons or entities who may claim through or under it waives any and all right to have the property and estates comprising the Property, or any part thereof, marshaled upon any foreclosure or other disposition (whether or not the entire Property be sold as a unit, and whether or not any parcels thereof be sold as a unit or separately) of any kind or nature of the Property, or any party thereof, or interest therein, and agrees that any court having jurisdiction to foreclose or otherwise enforce the liens granted and security interests created by this Mortgage may order the Property sold as an entirety. On behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the maximum extent permitted by applicable law, Mortgagor hereby waives any and all rights (x) of redemption from any foreclosure, or other disposition of any kind or nature of the Property, or any part thereof, or interest therein, under or pursuant to rights herein granted to Lender, and (y) to reinstatement of the indebtedness hereby secured, including, without limitation, any right to reverse any acceleration of such indebtedness pursuant to 735 ILCS 5/15-1602. Mortgagor further waives and releases (a) all errors, defects, and imperfections in any proceedings instituted by Lender under the Note, this Mortgage or any of the Loan Documents, (b) all benefits that might accrue to Mortgagor by virtue of any present or future laws exempting the Property, or any part of the proceeds arising from any sale thereof, from attachment, levy, or sale under civil process, or extension, exemption from civil process, or extension of time for payment, and (c) all notices not specifically required by this Mortgage or the Loan Agreement of default, or of Lender's exercise, or election to exercise, any option under this Mortgage. All waivers by Mortgagor in this Mortgage have been made voluntarily, intelligently and knowingly by Mortgagor after Mortgagor has been afforded an opportunity to be informed by counsel of Mortgagor's choice as to possible alternative rights. Mortgagor's execution of this Mortgage shall be conclusive evidence of the making of such waivers and that such waivers have been voluntarily, intelligently and knowingly made.

Section 6.07 Leasing and Management Agreements

Mortgagor covenants and agrees that all agreements to pay leasing commissions (a) shall provide that the obligation to pay such commissions will not be enforceable against any party other than the party who entered into such agreement, (b) shall be subordinate to the lien of this Mortgage, and (c) shall not be enforceable against Lender. Upon request from Lender, Mortgagor shall furnish Lender with evidence of the foregoing which is in all respects satisfactory to Lender. Mortgagor shall cause the property manager

UNOFFICIAL COPY

or operator under any property management agreement or operating agreement for the Property, whether now in effect or entered into hereafter by Mortgagor, to enter into a subordination agreement with Lender, in recordable form, whereby the property manager subordinates its present and future lien rights and those of any party claiming by, through or under it, to the lien of this Mortgage. Mortgagor's failure to provide the subordination agreement described herein shall constitute an Event of Default under this Mortgage.

Section 6.08 Costs

In the event it should become necessary for Lender to employ legal counsel to collect the Obligations, or to enforce Lender's rights under this Mortgage, Mortgagor agrees to pay all reasonable fees and expenses of Lender including, without limitation, reasonable attorneys' fees for the services of such counsel whether or not suit be brought.

Section 6.09 Business Loan

Mortgagor represents and warrants that the loans or other financial accommodations included as Liabilities secured by this Mortgage were obtained solely for the purpose of carrying on or acquiring a business or commercial investment and not for residential, consumer or household purposes, and will constitute a "business loan" within the purview of §15 ILCS 205/4.

[SIGNATURES ON FOLLOWING PAGE]

UNOFFICIAL COPY

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed as of the day and year first above written.

MORTGAGOR:

Lock Up Old Orchard, L.L.C.,
a Delaware limited liability company

By: Lock Up – Evergreen, LLC,
a Delaware limited liability company,
its sole member

By: Lock Up Holding LLC,
an Illinois limited liability company,
its sole manager

By: SHS Development Company,
an Illinois corporation,
its sole manager

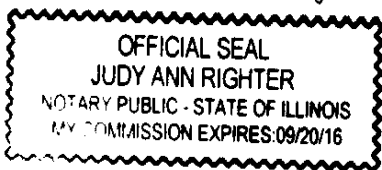
By: 
Richard B. Hielscher
Vice President

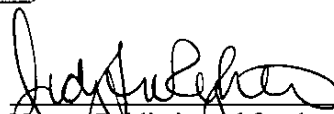
Identification No. 3963453

STATE OF ILLINOIS)
COUNTY OF Cook) ss.

I certify that I know or have satisfactory evidence that Richard B. Hielscher is the person who appeared before me, and said person acknowledged that he/she signed this instrument on oath stated that he/she was authorized to execute the instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this 20 day of May, 2014.




Notary Public in and for the State of Illinois,
residing at Randala Beach Il.
Judy Ann Righter
Name (printed or typed)
My appointment expires: 9/20/16

UNOFFICIAL COPY**EXHIBIT A****(Legal Description)****SKOKIE**

All that real property situate in the City of ~~Chicago~~, County of Cook, State of Illinois, more particularly described as follows:

PARCEL 1:

LOT 1 IN THE PLAT OF SUBDIVISION OF LOCK UP OLD ORCHARD SUBDIVISION IN THE SOUTH ~~WEST~~ 1/4 OF SECTION 9, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS RECORDED MARCH 22, 2004 AS DOCUMENT 0408227126.

PARCLE 2:

ACCESS EASEMENT IN FAVOR OF PARCEL 1 PURSUANT TO SHARED ACCESS EASEMENT AGREEMENT DATED AS OF MARCH 22, 2004 AND RECORDED MARCH 22, 2004 AS DOCUMENT 0408227122 BY AND BETWEEN VILLAGE OF SKOKIE, LOCK UP OLD ORCHARD, L.L.C. AND CHICAGO TITLE AND TRUST COMPANY AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 28, 1963 AND KNOWN AS TRUST NUMBER 45839.

PARCEL 3:

STORM SEWER EASEMENT IN FAVOR OF PARCEL 1 PURSUANT TO STORM SEWER EASEMENT AGREEMENT DATED AS OF JULY 19, 2004 AND RECORDED JULY 30, 2004 AS DOCUMENT 0421219031 BY AND BETWEEN CHICAGO TITLE AND TRUST COMPANY AS TRUSTEE UNDER TRUST AGREEMENT DATED JUNE 28, 1963 AND KNOWN AS TRUST NUMBER 45839 AND LOCK UP OLD ORCHARD, L.L.C. , AN ILLINOIS LIMITED LIABILITY COMPANY.

PIN: 10-09-315-019-0000

*Property Address: 5250 Golf Road
Skokie, IL 60077*

UNOFFICIAL COPY

EXHIBIT B

DESCRIPTION OF PERSONAL PROPERTY

All of Mortgagor's right, title and interest in, to and under the following. Capitalized terms used but not defined in this Exhibit B are defined in the Mortgage to which this Exhibit B is attached:

1. All machinery, apparatus, goods, equipment, materials, fittings, fixtures, chattels, and tangible personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions, and replacements thereof, owned by Mortgagor, wherever situate, and now or hereafter located on, attached to, contained in, or used or usable in connection with the Land or any Improvements located thereon or placed on any part thereof, though not attached thereto, including, without limitation, all vehicles, office equipment, electronics, screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, electrical, lighting, plumbing, ventilating, air-conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, hoists, stoves, ranges, vacuum and other cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances, equipment, fittings, and fixtures.
2. All funds, accounts, deposits, instruments, documents, contract rights, general intangibles, notes, and chattel paper arising from or by virtue of any transaction related to the Land, the Improvements, or any of the personal property described in this Exhibit B.
3. All permits, licenses, franchises, certificates, and other rights and privileges now held or hereafter acquired by Mortgagor in connection with the Land, the Improvements, or any of the personal property described in this Exhibit B.
4. All right, title, and interest of Mortgagor in and to the name and style by which the Land and/or the Improvements is known, including trademarks and trade names relating thereto.
5. All right, title, and interest of Mortgagor in, to, and under all plans, specifications, maps, surveys, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies, and other documents of whatever kind or character, relating to the use, construction upon, occupancy, leasing, sale, or operation of the Land and/or the Improvements.
6. All interests, estates, or other claims or demands, in law and in equity, which Mortgagor now has or may hereafter acquire in the Land, the Improvements or the personal property described in this Exhibit B.
7. All right, title, and interest owned by Mortgagor in and to all options to purchase or lease the Land, the Improvements, or any other personal property described in this Exhibit B or any portion thereof or interest therein, and in and to any greater estate in the Land, the Improvements, or any of the personal property described in this Exhibit B.
8. All of the estate, interest, right, title, other claim or demand, both in law and in equity, including claims or demands with respect to the proceeds of insurance relating thereto, which Mortgagor now has or

UNOFFICIAL COPY

may hereafter acquire in the Land, the Improvements, or any of the personal property described in this Exhibit B, or any portion thereof or interest therein, and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of such property, including without limitation, any award resulting from a change of any streets (whether as to grade, access, or otherwise) and any award for severance damages.

9. All right, title, and interest of Mortgagor in and to all contracts, permits, certificates, licenses, approvals, utility deposits, utility capacity, and utility rights issued, granted, agreed upon, or otherwise provided by any governmental or private authority, person or entity relating to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements, including all of Mortgagor's rights and privileges hereto or hereafter otherwise arising in connection with or pertaining to the Land and/or the Improvements, including, without limiting the generality of the foregoing, all water and/or sewer capacity, all water, sewer and/or other utility deposits or prepaid fees, and/or all water and/or sewer and/or other utility tap rights or other utility rights, any right or privilege of Mortgagor under any loan commitment, lease, contract, declaration of covenants, restrictions and easements or like instrument, developer's agreement, or other agreement with any third party pertaining to the ownership, development, construction, operation, maintenance, marketing, sale, or use of the Land and/or the Improvements.

10. All proceeds and products of any of the foregoing personal property described in this Exhibit B.

A PORTION OF THE ABOVE DESCRIBED GOODS ARE OR ARE TO BE AFFIXED TO THE REAL PROPERTY DESCRIBED IN EXHIBIT A.