

# UNOFFICIAL COPY

## SECURITY AGREEMENT With Assignment Of Beneficial Interest



DATE AND PARTIES. The date of this Security Agreement (Agreement) is January 24, 2001. The parties and their addresses are:

**SECURED PARTY:**  
LAKESIDE BANK  
55 W. Wacker Drive  
Chicago, Illinois 60601

**DEBTOR:**  
RAYMOND HAWKINS  
506 Dante  
Glenwood, Illinois 60425

TORNELIA HAWKINS  
506 Dante  
Glenwood, Illinois 60425

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Cook County Recorder 51.00

The pronouns "you" and "your" refer to the Secured Party. The pronouns "I," "me" and "my" refer to each person or entity signing this Agreement as Debtor and agreeing to assign the Collateral described in this Agreement as security for the Secured Debts.

**1. SECURED DEBTS.** This Agreement will secure the following Secured Debts:

**A. Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note, No. 6041909-01, dated January 24, 2001, from Raymond Hawkins, Tornelia Hawkins and Suburban Bank & Trust Co. f/k/a Southwest Financial Bank & Trust Co., as trustee, u/t/a dated May 5, 1997 a/k/a Trust #1-4445 (Borrower) to you, in the amount of \$1,475,000.00.

**B. All Debts.** All present and future debts from Borrower to you, even if this Agreement is not specifically referenced, or if the future debt is unrelated to or of a different type than this debt. If more than one person signs this Agreement, each agrees that it will secure debts incurred either individually or with others who may not sign this Agreement. Nothing in this Agreement constitutes a commitment to make additional or future loans or advances. Any such commitment must be in writing.

This Agreement will not secure any debt for which you fail to give any required notice of the right of rescission. This Agreement will not secure any debt for which a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. This Agreement will not secure any debt for which a security interest is created in "margin stock" and you do not obtain a "statement of purpose," as defined and required by federal law governing securities.

**C. Sums Advanced.** All sums advanced and expenses incurred by you under the terms of this Agreement.

**2. SECURITY INTEREST.** To secure the payment and performance of the Secured Debts, as owner of 100% of the beneficial interest, I give you a security interest in all of my rights, powers, privileges and beneficial interests under the Trust Agreement dated May 5, 1997, with Suburban Bank & Trust Company of 9901 South Western Avenue Chicago, Illinois 60643 as Trustee and known as Trust #1-1445, referred to as Collateral. This security interest includes without limitation:

**A.** The absolute agreement and transfer to you, alone, of all rights and powers of direction with regard to the Trust and the property held in Trust, referred to as Property.

**B.** The right to file this Agreement with the Trustee of the Trust Agreement, and to register the Agreement in the records of the Trustee maintained for the Trust.

This Collateral is assigned to you for the purpose of securing the Secured Debts only. By entering into this Agreement, you have not assumed any of my obligations or liabilities as beneficiary of the Trust.

**3. ATTACHMENTS.** A certified copy of the Trust Agreement, including any amendments, is attached and made part of this Agreement.

**4. LEGAL DESCRIPTION.** The Trust Agreement covers the following described Property:

Parcel 1: LOTS 29 TO 44 BOTH INCLUSIVE, IN BLOCK 2 (EXCEPT THAT PART CONVEYED TO THE CITY OF CHICAGO BY DOCUMENTS 10-703976 AND 10-713977) IN WHITESIDE'S SUBDIVISION OF THE WEST 1/2 OF LOTS 4 AND 5 IN SCHOOL TRUSTEES' SUBDIVISION OF SECTION 16, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. Parcel 2: LOTS 45 AND 46 BOTH INCLUSIVE, IN BLOCK 2 (EXCEPT THAT PART CONVEYED TO THE CITY OF CHICAGO BY DOCUMENTS 10-703976 AND 10-713977) IN WHITESIDE'S SUBDIVISION OF THE WEST 1/2 OF LOTS 4 AND 5 IN SCHOOL TRUSTEES' SUBDIVISION OF SECTION 16, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. PIN: #25-16-100-010, 25-16-100-011, 25-16-100-012, 25-16-100-013, 25-16-100-014, 25-16-100-015, 25-16-100-016, 25-16-100-017, 25-16-100-018, 25-16-100-019, 25-16-100-020, 25-16-100-021, 25-16-100-022, 25-16-100-023, 25-16-100-024, 25-16-100-025, 25-16-100-026 AND 25-16-100-027.

commonly known as 10315-57 South Halsted Street, Chicago, Illinois 60628

**5. WARRANTIES AND REPRESENTATIONS.** I have the right and authority to enter into this Agreement. The execution and delivery of this Agreement will not violate any agreement governing me or to which I am a party.

**A. Ownership of Collateral.** I represent that I own all of the Collateral. Your claim to the Collateral is ahead of the claims of any other creditor, except as disclosed in writing to you prior to any advance on the Secured Debts. I am the sole holder of the powers of direction.

**6. DUTIES TOWARD COLLATERAL AND PROPERTY.**

**A. Protection of Secured Party's Interest.** I will defend the Collateral and Property against any other claim. I agree to do whatever you require to protect your security interest and to keep your claim in the Collateral ahead of the claims of other creditors. I will not do anything to harm your position. Until the Secured Debts are fully paid and this Agreement is terminated, I will not grant a security interest in any of the Collateral or Property without your prior written consent.

I will keep books, records and accounts about the Collateral, Property and my business in general. I will let you examine these and make copies at any reasonable time. I will prepare any report or accounting you request which deals with the Collateral or Property.

Box 64

(4) x Pen

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**B. Use and Protection of the Collateral and Property.** I will keep the Property in good repair. I will use it only for commercial purposes. I will not change this specified use without your prior written consent. You have the right of reasonable access to inspect the Property and I will immediately inform you of any loss or damage to the Property. I will not cause or permit waste to the Property.

I will maintain the Property in arable condition and keep it free of EPA-banned or non-labeled chemicals in conformity with requirements of the EPA. I will maintain the present buildings and improvements on the land in good condition and repair, and I will promptly pay for all agricultural input.

I will not use the Property in violation of any law. I will notify you in writing prior to any change in my name or address.

Until the Secured Debts are fully paid and this Agreement is terminated, I will not grant a security interest in any of the Collateral or Property without your prior written consent.

I will pay all taxes and assessments levied or assessed against me or the Property and provide timely proof of payment of these taxes and assessments upon request.

**C. Selling, Leasing or Encumbering the Collateral or Property.** I will not sell, offer to sell, lease, or otherwise transfer or encumber the Collateral or Property without your prior written permission.

Your permission to sell the Collateral or Property may be reasonably withheld without regard to the creditworthiness of any buyer or transferee. I will not permit the Collateral or Property to be the subject of any court order affecting my rights to the Collateral in any action by anyone other than you.

**7. INSURANCE.** I agree to keep the Property insured against the risks reasonably associated with the Property. I will maintain this insurance in the amounts you require. This insurance will last until the Property is released from this Agreement. I may choose the insurance company, subject to your approval, which will not be unreasonably withheld.

I will have the insurance company name you as loss payee on any insurance policy. I will give you and the insurance company immediate notice of any loss. You may apply the insurance proceeds toward what is owed on the Secured Debts. You may require added security as a condition of permitting any insurance proceeds to be used to repair or replace the Property.

If you acquire the Property in damaged condition, my right to any insurance policies and proceeds will pass to you to the extent of the Secured Debts.

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

**8. AUTHORITY TO PERFORM.** I authorize you to do anything you deem reasonably necessary to protect the Collateral or Property, and perfect and continue your security interest in the Collateral. If I fail to perform any of my duties under this Agreement or any other security interest, you are authorized, without notice to me, to perform the duties or cause them to be performed. These authorizations include, but are not limited to, permission to:

- A. pay and discharge taxes, liens, security interests or other encumbrances at any time levied or placed on the Collateral or Property.
- B. pay any rents or other charges under any lease affecting the Property.
- C. order and pay for the repair, maintenance and preservation of the Property.
- D. sign, when permitted by law, and file any financing statements on my behalf and pay for filing and recording fees pertaining to the Collateral.
- E. place a note on any chattel paper indicating your interest in the Collateral.
- F. take any action you feel necessary to realize on the Collateral, including performing any part of a contract or endorsing it in my name.
- G. handle any suits or other proceedings involving the Collateral in my name.
- H. prepare, file, and sign my name to any necessary reports or accountings.
- I. make an entry on my books and records showing the existence of this Agreement.
- J. notify any account debtor of your interest in the Collateral and tell the account debtor to make payments to you or someone else you name.

If you perform for me, you will use reasonable care. Reasonable care will not include any steps necessary to preserve rights against prior parties nor the duty to send notices, perform services or take any action in connection with the management of the Collateral or Property nor the duty to protect, preserve or maintain any security interest given to others by me or other parties. Your authorization to perform for me will not create an obligation to perform and your failure to perform will not preclude you from exercising any other rights under the law or this Agreement.

If you come into actual or constructive possession of the Property, you will preserve and protect the Property. For purposes of this paragraph, you will be in actual possession of the Property only when you have physical, immediate and exclusive control over the Property and you have affirmatively accepted that control. You will be in constructive possession of the Property only when you have both the power and the intent to exercise control over the Property.

**9. DEFAULT.** I will be in default if any one or more of the following occur.

- A. **Payments.** I fail to make a payment in full when due.
- B. **Insolvency.** I make an assignment for the benefit of creditors or become insolvent, either because my liabilities exceed my assets or I am unable to pay my debts as they become due.
- C. **Death or Incompetency.** I die or am declared incompetent.
- D. **Failure of Condition or Term.** I fail to pay, or perform any condition or to keep any promise or covenant on this or any debt or agreement I have with you.
- E. **Misrepresentation.** I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.
- F. **Judgment.** I fail to pay or discharge any judgment against me for the payment of money, unless, within 10 days of its entry, the judgment is satisfied or a stay of enforcement is granted pending an appeal.
- G. **Forfeiture.** The Property is used in a manner or for a purpose which threatens confiscation by a legal authority.
- H. **Name Change.** I change my name or assume an additional name without notifying you before making such a change.
- I. **Property Transfer.** I transfer all or a substantial part of my money or property.
- J. **Other Instruments.** A default occurs under the terms of any instrument evidencing or pertaining to the Secured Debts.
- K. **Insecurity.** Anything else happens that causes you to reasonably believe that you will have difficulty collecting the amount I owe you or significantly impairs the value of the Collateral or Property.

**10. REMEDIES.** After I default, and after you give any legally required notice and opportunity to cure the default, you may at your option do any one or more of the following.

- A. **Acceleration.** You may make all or any part of the amount owing by the terms of the Secured Debts immediately due.
- B. **Additional Security.** You may demand additional security or additional parties to be obligated to pay any debt I owe you.
- C. **Sources.** You may use any and all remedies you have under state or federal law or in any instrument evidencing or pertaining to the Secured Debts.
- D. **Insurance Benefits.** You may make a claim for any and all insurance benefits or refunds that may be available on my default.

E. Payments Made On My Behalf. Amounts advanced on my behalf will be immediately due and may be added to the Secured Debts.

F. Attachment. You may attach or garnish my wages or earnings.

G. Repossession and Foreclosure. You may take immediate possession of the Collateral and direct the Trustee to convey the Property to you. You may sell the Collateral as provided by law or you may institute a judicial proceeding to foreclose upon the Property. You have the right to receive any distributions, proceeds and earnings of the Property.

You may apply what you receive from the sale or distributions of the Collateral or Property to your expenses, your attorneys' fees and legal expenses (where not prohibited by law), and any debt I owe you. If what you receive from the sale of the Collateral or Property does not satisfy the debt, I will be liable for the deficiency (where permitted by law). In some cases, you may keep the Collateral to satisfy the debt.

Where a notice is required, I agree that 10 days prior written notice sent by first class mail to my address listed in this Agreement will be reasonable notice to me under the Illinois Uniform Commercial Code.

H. Use and Operation. You may enter upon my premises and take possession of all or any part of my property for the purpose of preserving the Collateral or its value, so long as you do not breach the peace. You may use and operate my property for the length of time you feel is necessary to protect your interest, all without payment or compensation to me.

I. Waiver. By choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

11. WAIVER OF CLAIMS. I waive all claims for loss or damage caused by your acts or omissions where you acted reasonably and in good faith.

12. FINANCING STATEMENT. I agree that a copy of this Agreement may be used as a financing statement where allowed by law. You may file of record any carbon, photographic or other reproduction of this Agreement or the financing statement. You may file a financing statement covering the Collateral that does not contain my signature, where permitted by law.

13. APPLICABLE LAW. This Agreement is governed by the laws of Illinois, the United States of America and to the extent required, by the laws of the jurisdiction where the Collateral is located. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Illinois, unless otherwise required by law.

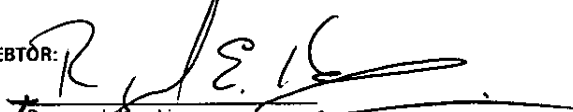

14. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. Each Debtor's obligations under this Agreement are independent of the obligations of any other Debtor. You may sue each Debtor individually or together with any other Debtor. You may release any part of the Collateral and I will still be obligated under this Agreement for the remaining Collateral. The duties and benefits of this Agreement will bind and benefit the successors and assigns of you and me.

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


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

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

SIGNATURES. By signing, I agree to the terms contained in this Agreement. I also acknowledge receipt of a copy of this Agreement.

DEBTOR:   
Raymond Hawkins  
  
Torneila Hawkins

SECURED PARTY'S ACCEPTANCE. Secured Party accepts this Agreement subject to all of the terms and conditions of the Trust Agreement, as security for the Secured Debts.

SECURED PARTY:  
Lakeside Bank  
  
Brian D. Specht, Vice President

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**ACKNOWLEDGMENT BY TRUSTEE.** Trustee, pursuant to the Trust Agreement, acknowledges receipt of a duplicate copy of this Agreement and accepts this Agreement in accordance with its terms and provisions. Until the Agreement is released by Secured Party, Trustee agrees not to permit or allow Debtor to deal with the Trust in any manner inconsistent with this Agreement or the Trust Agreement, unless the act is agreed to in writing by Secured Party.

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(Authorized Signature)

Name and Title: \_\_\_\_\_

Trustee Name: Suburban Bank & Trust Company  
Trustee Address: 9901 South Western Avenue Chicago, Illinois  
60643

Please return the original signed copy to:

Lakeside Bank, 55 W. Wacker Drive, Chicago, Illinois 60601

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