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Cook County Recorder 38.50



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SEE TRUSTEE'S EXCULPATION  
CLAUSE ATTACHED HERETO

Property of Cook County Clerk's Office

**SECURITY AGREEMENT**

**AMERICAN ENTERPRISE BANK, AS TRUSTEE  
UNDER THE PROVISIONS OF A TRUST AGREEMENT  
DATED NOVEMBER 25, 2002,  
AND KNOWN AS TRUST NUMBER 2018**

to

**AMERICAN ENTERPRISE BANK**

**DATED AS OF JANUARY 16, 2003**

Permanent Index Number:  
07-10-400-011

This Instrument Prepared by and to be  
returned after recording to:

Alan E. Richards  
RICHARDS, RALPH & SCHWAB, CHTD.  
175 E. Hawthorn Parkway  
Suite 345  
Vernon Hills, IL 60061

Property Commonly known as:

100-130 East Golf Road  
Schaumburg, IL 60193

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01023126 Cash Co. X.

J. Hall

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## SECURITY AGREEMENT

THIS SECURITY AGREEMENT dated as of January 16, 2003, is executed by American Enterprise Bank, as Trustee under the provisions of a Trust Agreement dated November 25, 2002, and known as Trust Number 2018 (the "Debtor"), for the benefit of American Enterprise Bank (the "Bank").

### WITNESSETH:

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness hereby secured, the receipt and sufficiency of which are hereby acknowledged, the Debtor hereby grants to the Bank, a security interest in all items identified in Section 1 to secure (i) the payment of an Installment Note dated January 16, 2003, executed and delivered by P.S.J., Inc., to the Bank, in the sum of One Million, Six Hundred Forty-Five Thousand and No/100 Dollars (\$1,645,000.00), and payable as to principal and interest as therein provided (hereafter referred to as the "Note"); (ii) further advances if such advances are made at the Bank's option; (iii) all other liabilities (primary, secondary, direct, contingent, sole, joint or several) under the Loan Documents (as defined in the Note) due or to become due or which may be hereafter contracted or acquired, of the Debtor to the Bank; and (iv) performance by the Debtor of the agreements hereinafter set forth.

TO PROTECT THE SECURITY OF THIS SECURITY AGREEMENT, THE DEBTOR COVENANTS AND AGREES AS FOLLOWS.

Section 1. Creation of Security Interest. Debtor hereby grants to Bank a security interest in, and hereby mortgages, assigns, pledges, conveys and sets over to Bank, the property owned by Debtor described as follows (hereinafter referred to collectively as the "Collateral"):

(a) All apparatus, machinery, devices, fixtures, communication devices, systems and equipment, fittings, appurtenances, equipment, appliances, furniture, furnishings, appointments, accessories, landscaping, plants and all other items of personal property located at the property identified in Exhibit A (the "Property") or used in the operation or maintenance of the Property. All fixtures and equipment now or hereafter installed for use in the operation of the buildings, structures and improvements now or hereafter located on the Property, including but not limited to, all lighting, heating, cooling, ventilating, air-conditioning, plumbing, sprinkling, incinerating, refrigerating, air-cooling, lifting, fire extinguishing, cleaning, entertaining, security, communicating and electrical and power systems, and the machinery, appliances, fixtures and equipment pertaining thereto, all awnings, ovens, stoves, refrigerators, dishwashers, disposals, carpeting, motors, pumps, screens, storm doors and windows, shades, floor coverings, washers, dryers, cabinets, furniture, partitions, conduits, ducts and compressors.

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(b) All building materials located on the Property.

(c) Any and all other personal property of any kind, nature or description, whether tangible or intangible, (including without limitation, any and all goods, accounts, contract rights, franchises, licenses, permits, chattel paper, money, documents, instruments and general intangibles) of Debtor arising from, relating to or used in connection with the operation or maintenance acquired, or in which Debtor now has or shall hereafter acquire any right, title or interest whatsoever (whether by bill of sale, lease, conditional sales contract, or other title retention document or otherwise).

(d) Any and all additions and accessories to all of the foregoing and any and all proceeds (including proceeds of insurance, eminent domain or other governmental takings and tort claims), renewals, replacements and substitutions of all of the foregoing.

(e) All of the books and records pertaining to the foregoing.

Section 2. Warranties. The Debtor warrants that (i) it is or will be the owner of the Collateral free and clear of all liens and security interests except the security interest granted hereby; (ii) it has the right to make this agreement; and (iii) the Collateral is used or bought for use primarily for business purposes and will be kept at the Premises.

Section 3. Defense of Collateral. The Debtor shall defend the Collateral against the claims and demands of all persons.

Section 4. Insurance. The Debtor shall insure the Collateral against all hazards requested by the Bank in form and amount satisfactory to the Bank in its reasonable discretion. If the Debtor fails to obtain insurance, the Bank shall have the right to obtain it at the Debtor's expense. The Debtor assigns to the Bank all right to receive proceeds of insurance, directs any insurer to pay all proceeds directly to the Bank, and authorizes the Bank to endorse any draft for the proceeds.

Section 5. Maintenance. The Debtor shall keep the Collateral in good condition and repair, ordinary wear and tear excepted, and will permit the Bank and its agent to inspect the Collateral at any time upon reasonable notice.

Section 6. Advances by Bank. The Debtor shall pay as part of the debt hereby secured all amounts, including reasonable attorneys' fees, with interest thereon, paid by the Bank (i) for taxes, levies, insurance, repairs to or maintenance of the Collateral, and (ii) in taking possession of, disposing of or preserving the Collateral after any default hereinafter described.

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Section 7. Location of Collateral; Replacement of Obsolete Property. Except for items that Debtor sells or replaces in the ordinary course of business, the Debtor shall not permit any of the Collateral to be removed from the above-mentioned location without the prior written consent of the Bank; provided, however, that the Debtor may remove property which has become worn out, obsolete or inadequate provided such property is replaced with comparable property of at least equal value which shall become subject to the security interest created thereby.

Section 8. Liens and Transfers. The Debtor shall not (i) permit any liens or security interests to attach to any of the Collateral; (ii) permit any of the Collateral to be levied upon under any legal process; (iii) except as provided in paragraph 7 hereof, dispose of any of the Collateral without the prior written consent of Bank; (iv) permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Security Agreement; or (v) permit the Collateral to become an accession to other premises.

Section 9. Further Assurances. The Debtor shall do, execute, acknowledge and deliver all and every further acts, security agreements, financing statements and other documents and assurances necessary or advisable, in the judgment of the Bank, for the creation, perfection and continued perfection of the security interest intended to be created by this Security Agreement in the Collateral.

Section 10. Possession. Until default the Debtor may retain possession of the Collateral and use it in any lawful manner not inconsistent with the agreements herein, or with the terms and conditions of any policy of insurance thereon.

Section 11. Default. Upon default by the Debtor in the performance of any covenant or agreement herein or in the discharge of any liability to the Bank, or if any warranty should prove untrue, the Bank shall have all of the rights and remedies of a secured party under the Uniform Commercial Code of Illinois or other applicable law and all rights provided herein, in the Note, or in any other document securing the Note, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. The Bank may require the Debtor to assemble the Collateral and make it available to the Bank at a place to be designated by the Bank which is reasonably convenient to the Bank and the Debtor. Any notice of sale, disposition or other intended action by the Bank, sent to the Debtor at its address specified above, or such other address of the Debtor as may from time to time be shown on the Bank's records, at least five days prior to such action, shall constitute reasonable notice to the Debtor. The waiver of any default hereunder shall not be a waiver of any subsequent default.

Section 12. Successors. This Security Agreement and all representations, warranties, agreements, rights and liabilities hereunder and in and to any and all Collateral shall inure to the benefit of the Bank and its successors and assigns, and any participant in any loan hereby secured, and shall be binding upon the Debtor and its legal heirs, representatives, successors and assigns.

Section 13. Severability. In the event any provision of this Security Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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Section 14. Execution of Counterparts. This Security Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

## Section 15. Construction.

(a) The words "hereof", "herein", "hereunder", and other words of similar import refer to this Security Agreement as a whole not to the individual Sections in which such terms are used.

(b) References to Sections and other subdivisions of this Security Agreement are to the designated Sections and other subdivisions of this Security Agreement as originally executed.

(c) The headings of this Section are for convenience only and shall not define or limit the provisions hereof.

(d) Where the context so requires, words used in singular shall include the plural and vice versa, the words of one gender shall include all other genders.

(e) Wherever in this Security Agreement provision is made for the approval or consent of the Bank, or that any matter is to be to the Bank's satisfaction, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction or the like shall be made determined or given by the Bank in its sole discretion.

Section 16. Governing Law. This Security Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

Section 17. Trustee Exculpation. This Security Agreement is executed by American Enterprise Bank, not personally but as Trustee is aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed by the Debtor herein and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the note secured by this Security Agreement shall be construed as creating any liability on American Enterprise Bank personally to pay said note or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenants either express or implied herein contained, all such liability, if any, being expressly waived, and that any recovery on this Security Agreement and the note secured hereby shall be solely against and out of the property hereby conveyed by enforcement of the provisions hereof and of said note, but this waiver shall in no way affect the personal liability of any co-signor, endorser or any Guarantor of said note.

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IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date first written above.

AMERICAN ENTERPRISE BANK,  
as Trustee under the provisions of a Trust  
Agreement dated November 25, 2002, and  
~~known as~~ Trust Number 2018

By: [Signature]  
Its: TRUST OFFICER

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**SEE TRUSTEE'S EXCULPATION  
CLAUSE ATTACHED HERETO**

### Trustee's Exculpation Clause

This document is executed by American Enterprise Bank, not personally, but solely as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on the said Trustee, either individually or as Trustee aforesaid, for the performance of any of the terms and conditions of this document or for the validity or condition of the title of any property or for any agreement with respect thereto. Any and all personal liability of American Enterprise Bank is hereby expressly waived by the parties hereto and their respective successors and assigns. All warranties, covenants, indemnities and representations of each and every kind are those of the Trust's beneficiaries only and shall not be considered the responsibility or liability of the Trustee. This Trustee's exculpatory clause shall be controlling in the event of a conflict of terms created by the documents executed by Trustee.

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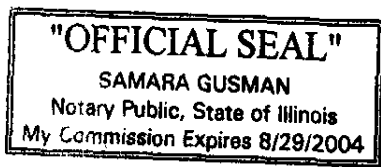
STATE OF ILLINOIS        )  
  ) S.S.:  
COUNTY OF Lake        )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT David Schwab personally known to me to be the Trust officer of American Enterprise Bank, an Illinois banking association, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Trustee, he signed and delivered the said instrument pursuant to authority, given by American Enterprise Bank, as Trustee of that certain Trust Agreement known as Trust No. 2018, as his free and voluntary act, and as the free and voluntary act and deed of said banking association, not individually but as Trustee for the Trust No. 2018, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 20th day of January, 2003.

Samara Gusman  
Notary Public

Commission Expires: 8.29.04



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## EXHIBIT A LEGAL DESCRIPTION

### EXHIBIT A

**Parcel 1:** The land, exclusive of buildings and improvements, being the East 242.50 feet of the West 910.00 feet of the South 330.00 feet of the Southeast 1/4 of Section 10, Township 41 North, Range 10, East of the Third Principal Meridian, in Cook County, Illinois (except that part taken for Golf Road, as shown on document 10488002, and except the South 20 feet thereof).

**Parcel 2:** Reciprocal easement of ingress and egress appurtenant and for the benefit of Parcel 1 as described in and created by Agreement for Reciprocal Easement of Ingress and Egress dated November 22, 1988 and recorded March 22, 1989 as document 89125394 made by and between Berkshire Life Insurance Company, LaSalle NB, as Trustee under Trust Agreement dated May 13, 1987 and known as Trust Number 112307 and Chicago Title and Trust Company, as Trustee under Trust Agreement dated June 19, 1968 and known as Trust number 52271 relating to driveway access to Golf Road at their common property line.

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