

# UNOFFICIAL COPY

20175693.5  
05-25-05



Doc#: 0515727128  
Eugene "Gene" Moore Fee: \$60.00  
Cook County Recorder of Deeds  
Date: 06/06/2005 03:22 PM Pg: 1 of 19

8253877 CTIC case 450744

Property of COOK COUNTY Clerk's Office

SECURITY AGREEMENT  
(Redevelopment Documents)

from

RS HOMES I LLC, an Illinois limited liability company,  
RS POINTE LLC, an Illinois limited liability company,  
and  
RS SQUARE LLC, an Illinois limited liability company,

to

LASALLE BANK NATIONAL ASSOCIATION,  
a national banking association,  
as Senior Lender and Agent for Lenders

Dated as of May 1, 2005

Permanent Tax Index Numbers and Address:

See Exhibit A

This Instrument Prepared by and to be  
Returned After Recording to:

Box 334

Alvin L. Kruse  
Seyfarth Shaw LLP  
55 East Monroe Street  
Suite 4200  
Chicago, Illinois 60603

# UNOFFICIAL COPY

## SECURITY AGREEMENT (Redevelopment Documents)

THIS SECURITY AGREEMENT (Redevelopment Documents) dated as of May 1, 2005, is entered into by RS HOMES I LLC, an Illinois limited liability company ("Homes"), RS POINTE LLC, an Illinois limited liability company ("Pointe"), and RS SQUARE LLC, an Illinois limited liability company ("Square") (Homes, Pointe and Square being sometimes referred to herein collectively as the "Borrowers"), in favor of LASALLE BANK NATIONAL ASSOCIATION, a national banking association ("LaSalle"), on its own behalf as Senior Lender under the Loan Agreement referred to below and in its capacity as Agent for the Lenders (the "Lenders") under such Loan Agreement (the "Secured Party").

### WITNESSETH:

WHEREAS, the Borrowers are the owners of leasehold and fee interests in the real estate described in Exhibit A attached hereto (the "Premises"), and the Secured Party and other Lenders for which it is the Agent are extending a loan (the "Loan") to the Borrowers to finance the construction of improvements on the Premises; and

WHEREAS, the Loan is being extended to the Borrowers pursuant to a Construction Loan Agreement dated as of May 1, 2005 (the "Loan Agreement"), by and among the Borrowers and LaSalle as Senior Lender ("LaSalle Senior"), LaSalle as Mezzanine Lender ("LaSalle Mezzanine"), and LaSalle as Bridge Lender ("LaSalle Bridge");

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness hereby secured, the receipt and sufficiency of which are hereby acknowledged, in order to secure (i) the payment of Promissory Note A dated May 1, 2005 ("Note A"), executed and delivered by the Borrowers to LaSalle Senior, in the sum of \$40,000,000 and payable as to principal and interest as therein provided, and all revolving loan reborrowings thereunder, and any past and future modifications, amendments, extensions, renewals and increases thereof, (ii) the payment of Promissory Note B dated May 1, 2005 ("Note B"), executed and delivered by the Borrowers to LaSalle Mezzanine, in the sum of \$5,620,000, and payable as to principal and interest as therein provided, and any past and future modifications, amendments, extensions, renewals and increases thereof; (iii) the payment of Promissory Note C dated May 1, 2005 ("Note C"), executed and delivered by the Borrowers to LaSalle Bridge, in the sum of \$5,452,000, and payable as to principal and interest as therein provided, and any past and future modifications, amendments, extensions, renewals and increases thereof; (iv) the payment and performance of all of the obligations of the Borrowers under the Loan Agreement and under the other "Loan Documents" (as defined in the Loan Agreement), and any past and future modifications, amendments, extensions, renewals and increases of the Loan Agreement and the other Loan Documents, and all obligations secured by the Loan Documents, and any modifications, amendments, extensions, renewals and increases thereof; and (v) performance by the Borrowers of the agreements hereinafter set forth;

### Granting Clauses

THE BORROWERS HEREBY COLLATERALLY TRANSFER AND ASSIGN TO THE SECURED PARTY, AND GRANT TO THE SECURED PARTY, ON ITS OWN BEHALF AS SENIOR LENDER UNDER THE LOAN AGREEMENT AND IN ITS CAPACITY AS AGENT FOR THE LENDERS UNDER THE LOAN AGREEMENT, A SECURITY INTEREST IN, THE PROPERTY DESCRIBED BELOW (the "Collateral");

# UNOFFICIAL COPY

1. All right, title and interest of the Borrowers, but not their obligations, in, to and under the following documents (collectively, the "Redevelopment Documents"):

(a) The Redevelopment Agreement dated as of May \_\_\_\_\_, 2005 (the "Redevelopment Agreement"), by and among the City of Chicago, an Illinois municipal corporation (the "City"), and the Borrowers, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on the date of the recording of this Security Agreement, relating to the Premises, including the Joinder by the Chicago Housing Authority, an Illinois municipal corporation (the "CHA"), contained therein (the "CHA Joinder").

(b) The Developer Note (as defined in the Redevelopment Agreement) ("City Note #1"), to be issued by the City to the Borrowers under the Redevelopment Agreement.

(c) The right of the Borrowers to the issuance of City Note #1 by the City under the Redevelopment Agreement.

(d) All approvals of expenditures referred to in Section 3.07(b) of the Redevelopment Agreement ("Approvals of Expenditures"), and all "Certificates of Expenditures" (as defined in the Redevelopment Agreement), issued from time to time by the City under the Redevelopment Agreement with respect to expenditures by the Borrowers for TIF-Funded Improvements, and the right of the Borrowers to the issuance of such Approvals of Expenditures and Certificates of Expenditures by the City.

(e) The CHA Note (as defined in the Redevelopment Agreement) ("City Note #2"), to be issued by the City to the CHA under the Redevelopment Agreement, and transferred and assigned by the CHA to the Borrowers in the Joinder and by the Assignment referred to in paragraph (f) below.

(f) The Assignment of City Note #2 in the form attached as Exhibit J to the Redevelopment Agreement executed by the CHA in favor of the Borrowers.

(g) The right of the Borrowers to the issuance of City Note #2 by the City under the Redevelopment Agreement, as assignee of such right from the CHA under the Joinder.

(h) All Approvals of Expenditures and all Certificates of Expenditures issued from time to time by the City under the Redevelopment Agreement with respect to expenditures by the CHA for TIF-Funded Improvements, which are assigned by the CHA to the Borrowers in the Joinder, and the right of the Borrowers to the issuance of such Approvals of Expenditures and Certificates of Expenditures by the City, as assignee of such right from the CHA under the Joinder.

2. All amounts that the Borrowers from time to time become eligible to receive from the City under the terms and subject to the conditions contained in the Redevelopment Agreement, and under City Note #1.

# UNOFFICIAL COPY

3. All amounts that the Borrowers from time to time become eligible to receive from the City as assignee of the CHA under the terms and subject to the conditions contained in the Redevelopment Agreement, and under City Note #2.

4. All proceeds of all of the foregoing.

TO PROTECT THE SECURITY OF THIS SECURITY AGREEMENT, THE BORROWERS COVENANT AND AGREE AS FOLLOWS:

Section 1. Representations and Warranties. The Borrowers represent and warrant to the Secured Party as follows:

(a) Each of the Borrowers is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Illinois, has all necessary power and authority to carry on its present business, and has full right, power and authority to enter into this Security Agreement and to otherwise perform and consummate the transactions contemplated hereby.

(b) This Security Agreement has been duly authorized, executed and delivered by the Borrowers and constitutes a valid and legally binding instrument enforceable against the Borrowers in accordance with its terms.

(c) The execution and delivery of this Security Agreement and compliance with the provisions hereof under the circumstances contemplated herein do not and will not conflict with or constitute a breach or violation of or default under the articles of organization or operating agreement of any of the Borrowers, or any agreement or other instrument to which any of the Borrowers is a party, or any existing law, administrative regulation, court order or consent decree to any of them is subject.

(d) There is no litigation or administrative proceeding pending or threatened to restrain or enjoin the transactions contemplated by this Security Agreement, or questioning the validity thereof, or in any way contesting the existence or powers of any of the Borrowers, or in which an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Security Agreement.

(e) The Borrowers are in full compliance with all of the terms and conditions of this Security Agreement and no "Default" or "Event of Default" (each as defined in Section 7 hereof) has occurred and is continuing hereunder.

(f) The Redevelopment Agreement and the Joinder have been duly authorized, executed and delivered by the parties thereto and constitute valid and legally binding instruments enforceable against such parties in accordance with their terms. The Redevelopment Agreement and the Joinder are in full force and effect and have not been modified or amended. The parties thereto are in full compliance with all of the terms and conditions of the Redevelopment Agreement and the Joinder and no Default or Event of Default has occurred and is continuing thereunder.

(g) The Borrowers own the Collateral, free and clear of all liens, claims, encumbrances and security interests of every sort whatsoever other than the security interests in favor of the Secured Party created under this Security Agreement.

# UNOFFICIAL COPY

Section 2. Delivery of Certain Collateral; Direct Payments to Secured Party. (a) In the event that any of the Collateral, including, without limitation, City Note #1 and City Note #2, is at any time evidenced by any promissory notes or other instruments, in order to perfect the security interests in such Collateral, the Borrowers shall deliver to the Secured Party the originals of all such promissory notes or other instruments, endorsed in blank. The Borrowers hereby irrevocably authorize and direct the City to deliver City Note #1 and City Note #2 upon the initial issuance thereof, directly to the Secured Party, to deliver all Approvals of Expenditures and Certificates of Expenditures issued from time to time by the City under the Redevelopment Agreement directly to the Secured Party, and to pay all amounts that the Borrowers (including, without limitation, as assignee of the CHA) from time to time become eligible to receive from the City under the Redevelopment Agreement, and under City Note #1 and City Note #2, directly to the Secured Party. The Borrowers shall not accept possession from the City of City Note #1, City Note #2, any Approvals of Expenditures or Certificates of Expenditures issued by the City under the Redevelopment Agreement, or any payments made by the City under the Redevelopment Agreement, or under City Note #1 or City Note #2.

(b) On the date of the execution and delivery of this Security Agreement, the Borrowers shall irrevocably deliver to the Secured Party a properly completed and executed Assignment of City Note #1 in the form contained in Exhibit I to the Redevelopment Agreement, signed by the Borrowers in blank, and the Borrowers hereby irrevocably authorize the Secured Party to attach such Assignment to City Note #1 upon the initial issuance thereof.

(c) On the date of the execution and delivery of this Security Agreement, the Borrowers shall irrevocably deliver to the Secured Party a properly completed and executed Assignment of City Note #2 by the CHA to the Borrowers in the form contained in Exhibit J to the Redevelopment Agreement, and the Borrowers hereby irrevocably authorize the Secured Party to attach such Assignment to City Note #2 upon the initial issuance thereof. On the date of the execution and delivery of this Security Agreement, the Borrowers shall also irrevocably deliver to the Secured Party a properly completed and executed Assignment of City Note #2 in the form contained in Exhibit J to the Redevelopment Agreement, signed by the Borrowers in blank, and the Borrowers hereby irrevocably authorize the Secured Party to attach such Assignment to City Note #2 upon the initial issuance thereof.

(d) The parties understand that the City, as a condition to its entering into the attached Consent and Agreement of City, requires satisfaction of the requirements for a Qualified Transfer of the Note (as defined in the Redevelopment Agreement) to a Qualified Investor (as defined in the Redevelopment Agreement), including, without limitation, delivery by the Secured Party to the City of investment letters in the form required by the Redevelopment Agreement. The Borrowers and the Secured Party shall cooperate with each other and with the City in order to satisfy such requirements, and shall cause such requirements to be satisfied such that the City will execute the Consent and Agreement of City at the time this Security Agreement is executed by the Borrowers and the Secured Party and becomes effective.

Section 3. Covenants Concerning Collateral. The Borrowers covenant and agree with the Secured Party as follows:

(a) The Borrowers shall defend the Collateral against the claims and demands of all persons.



# UNOFFICIAL COPY

(b) The Borrowers shall perform and observe in a timely manner all of their obligations and duties under the Redevelopment Documents and shall not suffer or permit any Default or Event of Default to exist thereunder.

(c) The Borrowers shall not (i) with the exception of any prepayment of City Note #1 of City Note #2, agree or consent to or suffer or permit any modification, amendment or termination of the Redevelopment Agreement, City Note #1, City Note #2 or any of the other Redevelopment Documents; (ii) permit any liens or security interests other than the Secured Party's security interest to attach to any of the Collateral; (iii) permit any of the Collateral to be levied upon under any legal process; (iv) dispose of any of the Collateral; or (v) 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.

(d) The Borrowers shall promptly furnish to the Secured Party copies of all notices of default and other material documents and communications sent to, or received by them from, the City or its agents and representatives relating to any of the Redevelopment Documents.

(e) The Borrowers shall cooperate with the Secured Party in connection with (i) obtaining the issuance by the City of City Note #1 and City Note #2, and (ii) obtaining the delivery of City Note #1 and City Note #2 by the City directly to the Secured Party.

Section 4. Further Assurances. The Borrowers 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 Secured Party, for the creation, perfection and continued perfection of the security interests intended to be created by this Security Agreement in the Collateral.

Section 5. Attorney in Fact. The Secured Party is hereby appointed the attorney in fact for the Borrowers to do all acts and things which the Secured Party may deem necessary or advisable to perfect and continue perfected the security interests created by this Security Agreement and to protect the Collateral.

Section 6. Security Agreement. This Security Agreement is intended to be a security agreement for purposes of the Uniform Commercial Code of the State of Illinois (the "Code").

Section 7. Default. For purposes of this Security Agreement, the following terms shall have the following respective meanings:

"Default" means, when used in reference to this Security Agreement or any other document, or in reference to any provision of or obligation under this Security Agreement or any other document, the occurrence of an event or the existence of a condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default under this Security Agreement or such other document, as the case may be.

"Event of Default" means --

(i) when used in reference to this Security Agreement, an Event of Default specified in this Section 7; and

# UNOFFICIAL COPY

(ii) when used in reference to any other document, a default or event of default under such document that has continued after the giving of any applicable notice and the expiration of any applicable grace or cure periods.

Each of the following shall constitute an Event of Default hereunder:

(a) Any failure shall occur in the performance by the Borrowers of any covenant or agreement contained herein;

(b) Any Event of Default shall occur under Note A, Note B, Note C, the Loan Agreement or any of the other Loan Documents; and

(c) Any representation or warranty of any of the Borrowers contained herein shall prove untrue or misleading in any material respect.

Upon any such Event of Default, the Secured Party shall have all of the rights and remedies of a secured party under the Code or other applicable law and all rights provided herein, or in any of the other Loan Documents, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. Any notice of any intended action by the Secured Party sent to the Borrowers at the address specified in Section 9 hereof at least five days prior to such action, shall constitute reasonable notice to the Borrowers. The waiver of any Event of Default hereunder shall not be a waiver of any subsequent Event of Default.

All amounts realized or received by the Secured Party under this Security Agreement shall be applied to the obligations secured hereby in such order as the Secured Party shall determine in its sole and absolute discretion.

Section 8. Time of Essence. Time is of the essence of this Security Agreement and of each and every provision hereof.

Section 9. Notices. All notices and other communications provided for in this Agreement ("Notices") shall be in writing. The "Notice Addresses" of the parties for purposes of this Agreement are as follows:

The Borrowers:

RS Homes I LLC  
 RS Pointe LLC  
 RS Square LLC  
 c/o LR Development Company LLC  
 Suite 301  
 350 West Hubbard Street  
 Chicago, Illinois 60610

Attention: Theodore T. Weldon and Stephen F  
 Galler

With a copy to:

Applegate & Thorne-Thomsen, P.C.  
 322 South Green Street  
 Suite 400  
 Chicago, Illinois 60607  
 Attention: Debra Ann Kleban

# UNOFFICIAL COPY

The Secured Party: LaSalle Bank National Association  
Suite 1225  
135 South LaSalle Street  
Chicago, Illinois 60603

Attention: Commercial Real Estate Division

or such other address as a party may designate by notice duly given in accordance with this Section to the other parties. A Notice to a party shall be effective when delivered to such party's Notice Address by any means, including, without limitation, personal delivery by the party giving the Notice, delivery by United States regular, certified or registered mail, or delivery by a commercial courier or delivery service. If the Notice Address of a party includes a facsimile number or electronic mail address, Notice given by facsimile or electronic mail shall be effective when delivered at such facsimile number or email address. If delivery of a Notice is refused, it shall be deemed to have been delivered at the time of such refusal of delivery. The party giving a Notice shall have the burden of establishing the fact and date of delivery or refusal of delivery of a Notice.

Section 10. Entire Agreement; No Reliance. This Security Agreement sets forth all of the covenants, promises, agreements, conditions and understandings of the parties relating to the subject matter of this Security Agreement, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth. The Borrowers acknowledge that they are executing this Security Agreement without relying on any statements, representations or warranties, either oral or written, that are not expressly set forth hereon or in the other Loan Documents.

Section 11. 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 Secured Party and its successors and assigns, and any participant in any loan hereby secured, and shall be binding upon the Borrowers and their legal heirs, representatives, successors and assigns.

Section 12. 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.

Section 13. Modification, Waiver and Termination. This Security Agreement and each provision hereof may be modified, amended, changed, altered, waived, terminated or discharged only by a written instrument signed by the party sought to be bound by such modification, amendment, change, alteration, waiver, termination or discharge.

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.



# UNOFFICIAL COPY

(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 Security Agreement 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, and words of one gender shall include all other genders.

(e) The Borrowers and the Secured Party, and their respective legal counsel, have participated in the drafting of this Security Agreement, and accordingly the general rule of construction to the effect that any ambiguities in a contract are to be resolved against the party drafting the contract shall not be employed in the construction and interpretation of this Security Agreement.

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. Consent to Jurisdiction. TO INDUCE LENDERS TO ACCEPT EXTEND THE LOAN, THE BORROWERS IRREVOCABLY AGREE THAT, SUBJECT TO THE SECURED PARTY'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS SECURITY AGREEMENT WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. THE BORROWERS HEREBY CONSENT AND SUBMIT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS, WAIVE PERSONAL SERVICE OF PROCESS UPON THE BORROWERS, AND AGREE THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO THE BORROWERS AT THE ADDRESS STATED HEREIN AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

Section 18. Waiver of Jury Trial. THE BORROWERS AND THE SECURED PARTY (BY ACCEPTANCE HEREOF), HAVING BEEN REPRESENTED BY COUNSEL EACH KNOWINGLY AND VOLUNTARILY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS SECURITY AGREEMENT OR ANY RELATED AGREEMENT OR UNDEFINED AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS SECURITY AGREEMENT OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS SECURITY AGREEMENT, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE BORROWERS AGREE THAT THEY WILL NOT ASSERT ANY CLAIM AGAINST THE SECURED PARTY OR ANY LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

[SIGNATURE PAGE(S) AND EXHIBIT(S),  
IF ANY, FOLLOW THIS PAGE]

# UNOFFICIAL COPY


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

RS HOMES I LLC

By ABLA Homes LLC, Sole Member

By LR ABLA LLC, Manager/Member

By LR Development Company LLC, Sole Member

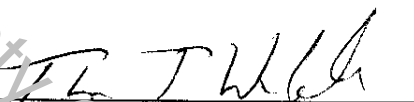
By   
Theodore T. Weldon  
Senior Vice President

RS POINTE LLC

By ABLA Homes LLC, Sole Member

By LR ABLA LLC, Manager/Member

By LR Development Company LLC, Sole Member

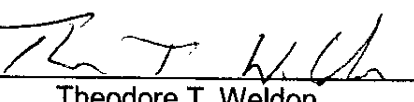
By   
Theodore T. Weldon  
Senior Vice President

RS SQUARE LLC

By ABLA Homes LLC, Sole Member

By LR ABLA LLC, Manager/Member

By LR Development Company LLC, Sole Member

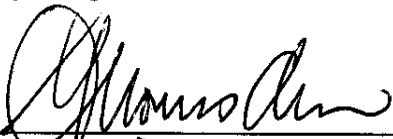
By   
Theodore T. Weldon  
Senior Vice President

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

Accepted as of May 1, 2005

LASALLE BANK NATIONAL ASSOCIATION,  
on its own behalf as Senior Lender and in its  
capacity as Agent for Lenders

By   
Title: VP

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

## CONSENT AND AGREEMENT OF CITY

Subject to the provisions set forth below, the undersigned CITY OF CHICAGO, an Illinois municipal corporation (the "City"), hereby agrees as set forth below. Capitalized terms used below and not otherwise defined below shall have the meanings set forth above in this Security Agreement, or if not defined above in this Security Agreement, shall have the same meanings as in the Redevelopment Agreement:

1. The City acknowledges that this Security Agreement and the collateral assignments and security interests provided for herein are in connection with Lender Financing and that this Security Agreement and the collateral assignments and security interests provided for herein are therefore permitted under the terms of Section 18.14 of the Redevelopment Agreement.

2. The City acknowledges that the Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of May 1, 2005, by the Borrowers to the Secured Party, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on the date of the recording of this Security Agreement, is a mortgage made prior to or on the date of the Redevelopment Agreement and is therefore an Existing Mortgage under Section 16.01 of the Redevelopment Agreement.

3. As contemplated by paragraph (b) of Section 16.01 of the Redevelopment Agreement and Section 18.14 of the Redevelopment Agreement, the City agrees that in the event that the Secured Party succeeds to the Borrowers' interest in the Premises or any portion thereof pursuant to the exercise of remedies under the aforesaid Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith succeeds to the interest of the Borrowers under the Redevelopment Agreement, pursuant to the exercise of remedies under this Security Agreement or assignment in lieu thereof, the City will, upon receipt of written request from the Secured Party, attorn to and recognize the Secured Party as successor in interest to the Borrowers for all purposes of the Redevelopment Agreement, so long as the Secured Party accepts all of the obligations and liabilities of "the Developer" (as defined in the Redevelopment Agreement) and certifies in writing (in a form acceptable to the City) to the City its agreement to abide by all of the remaining executory terms of the Redevelopment Agreement, including but not limited to Section 8.24 (Survival of Covenants) of the Redevelopment Agreement, for the term of the Redevelopment Agreement. However, as provided in paragraph (b) of Section 16.01 of the Redevelopment Agreement, notwithstanding any other provision of the Redevelopment Agreement to the contrary, it is understood and agreed that the Secured Party shall have no liability under the Redevelopment Agreement for any Event of Default (as defined in the Redevelopment Agreement) of the Borrowers which occurred prior to the time the Secured Party succeeded (by foreclosure or deed in lieu of foreclosure) to the interest of the Borrowers under the Redevelopment Agreement, in which case the Borrowers shall be solely responsible.

4. The City has received a copy of the CHA's assignment of title to City Note #2 to the Borrowers (the "CHA Assignment"), and the City acknowledges that such assignment of City Note #2 upon issuance thereof is permitted under Sections 4.03(c)(viii) and 5.04(d) of the Redevelopment Agreement.

5. The City acknowledges that the collateral assignment and pledge by the Borrowers of City Note #1 and City Note #2 to the Secured Party that are provided for in this

# UNOFFICIAL COPY

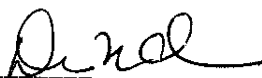
Security Agreement are as security for Lender Financing, and that such collateral assignment and pledge are therefore permitted under Section 4.03(c)(vii) of the Redevelopment Agreement. The City agrees that in accordance with the CHA Assignment and the authorization and direction contained in Section 2 of this Security Agreement and the provisions of Sections 4.03(c)(vii), 4.03(c)(viii) and 5.04(d) of the Redevelopment Agreement, the City will deliver City Note #1 and City Note #2 directly to the Secured Party upon the issuance thereof, at such address as the Secured Party shall direct in writing.

6. The City acknowledges that the Secured Party is a Qualified Investor, and that the City has received investment letters from the Secured Party in the form required by the Security Agreement with respect to the assignments to the Secured Party of City Note #1 and City Note #2. The City hereby consents to the assignments of City Note #1 and City Note #2 to the Secured Party, it being intended that that this consent shall constitute the consent required by paragraph (a) in the definition of the term "Qualified Transfer of the Note" in Redevelopment Agreement. The City acknowledges that based on the foregoing, the assignments of City Note #1 and City Note #2 to the Secured Party are "Qualified Transfers of the Note" that are permitted under Section 4.03(c)(viii) of the Redevelopment Agreement.

7. Without limitation on the foregoing provisions, the City agrees that until such time as it has received written notice from the Secured Party that the Secured Party's security interest under this Security Agreement has been released, in accordance with the authorization and direction contained in Section 2 of this Security Agreement, (i) the City will deliver all Approvals of Expenditures and Certificates of Expenditures issued from time to time by the City under the Redevelopment Agreement directly to the Secured Party, and (ii) based on the Qualified Transfer of City Note #1 and City Note #2 to the Secured Party as a Qualified Investor as described in paragraph 6 above, the City will pay all amounts that the Borrowers (including, without limitation, as assignee of the CHA) from time to time become eligible to receive from the City under the Redevelopment Agreement, and under City Note #1 and City Note #2, directly to the Secured Party; in each case at such address as the Secured Party shall from time to time direct in writing.

Dated as of May 1, 2005

CITY OF CHICAGO

By 

Title: Commissioner

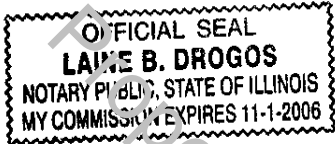




# UNOFFICIAL COPY

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

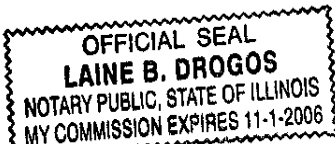
The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of May 2005, by Theodore T. Weldon, Senior Vice President of LR Development Company LLC, an Illinois limited liability company, the sole member of LR ABLA LLC, an Illinois limited liability company, the member/manager of ABLA Homes LLC, an Illinois limited liability company, the sole member of RS Homes I LLC, an Illinois limited liability company, on behalf of said limited liability companies.



Laine B. Drogos  
Notary Public

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of May 2005, by Theodore T. Weldon, Senior Vice President of LR Development Company LLC, an Illinois limited liability company, the sole member of LR ABLA LLC, an Illinois limited liability company, the member/manager of ABLA Homes LLC, an Illinois limited liability company, the sole member of RS Pointe LLC, an Illinois limited liability company, on behalf of said limited liability companies.



Laine B. Drogos  
Notary Public

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

The foregoing instrument was acknowledged before me this 20<sup>th</sup> day of May 2005, by Theodore T. Weldon, Senior Vice President of LR Development Company LLC, an Illinois limited liability company, the sole member of LR ABLA LLC, an Illinois limited liability company, the member/manager of ABLA Homes LLC, an Illinois limited liability company, the sole member of RS Square LLC, an Illinois limited liability company, on behalf of said limited liability companies.



Laine B. Drogos  
Notary Public

# UNOFFICIAL COPY

STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF COOK        )

The foregoing instrument was acknowledged before me this 26<sup>th</sup> day of May 2005, by Thomas Chan, VP of LaSalle Bank National Association, a national banking association, on behalf of the association.



Preeti Saini  
Notary Public

STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF COOK        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of May 2005, by \_\_\_\_\_ of the City of Chicago, an Illinois municipal corporation, on behalf of the City.

\_\_\_\_\_  
Notary Public

# UNOFFICIAL COPY

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

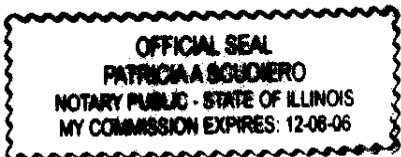
The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of  
May 2005, by \_\_\_\_\_, \_\_\_\_\_ of LaSalle Bank  
National Association, a national banking association, on behalf of the association.

\_\_\_\_\_  
Notary Public

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

The foregoing instrument was acknowledged before me this 31 day of  
May 2005, by DENISE M. CASCIANO, Commissioner of the City of Chicago,  
an Illinois municipal corporation, on behalf of the City.

*Patricia J. Soudiero*  
\_\_\_\_\_  
Notary Public



# UNOFFICIAL COPY

## EXHIBIT A

### LEGAL DESCRIPTION OF PREMISES

#### PARCEL A

##### Parcel 1 of Parcel A

LOTS 2, 6, 8, 9, 11, 17, 18, 20, 21, 22, 24, 25 AND 26 IN PLAT 1 ROOSEVELT SQUARE SUBDIVISION, A RESUBDIVISION OF BUCKLEYS SUBDIVISION, PART OF MACALASTER'S SUBDIVISION, AND SUBDIVISION OF BLOCK 14 OF VERNON PARK ADDITION TO CHICAGO, PART OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, CITY OF CHICAGO, COUNTY OF COOK, STATE OF ILLINOIS, ACCORDING TO PLAT 1 OF SAID ROOSEVELT SQUARE SUBDIVISION RECORDED MAY 27, 2004 AS DOCUMENT NUMBER 0414831142.

##### Parcel 2 of Parcel A

LOTS 38, 39, 40, 41, 42, 47, 48, 50, 51, 52, 54, 56, 57, 60 AND 61 IN PLAT 2 ROOSEVELT SQUARE SUBDIVISION, A RESUBDIVISION OF BLOCKS 6, 7, AND PART OF 8 OF HENRY WALLER'S SUBDIVISION, PART OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 27, 2004 AS DOCUMENT NUMBER 0414831143.

##### Parcel 3 of Parcel A

LOTS 1 TO 8 AND 10 TO 16 IN THE RESUBDIVISION OF PART OF PLAT 1 OF ROOSEVELT SQUARE SUBDIVISION, BEING A RESUBDIVISION OF LOTS 3 AND 4 OF PLAT 1 ROOSEVELT SQUARE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

##### Parcel 4 of Parcel A

LOTS 1 TO 9 IN THE RESUBDIVISION OF PART OF PLAT 1 OF ROOSEVELT SQUARE SUBDIVISION, BEING A RESUBDIVISION OF LOTS 27 AND 28 OF PLAT 1 ROOSEVELT SQUARE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

##### Parcel 5 of Parcel A

LOTS 1 TO 11 IN THE RESUBDIVISION OF PART OF PLAT 1 OF ROOSEVELT SQUARE SUBDIVISION, BEING A RESUBDIVISION OF LOTS 29 AND 30 OF PLAT 1 ROOSEVELT SQUARE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

# UNOFFICIAL COPY

## Parcel 6 of Parcel A

LOTS 1 TO 8 IN THE RESUBDIVISION OF PART OF PLAT 2 OF ROOSEVELT SQUARE SUBDIVISION, BEING A RESUBDIVISION OF LOT 44 OF PLAT 2 ROOSEVELT SQUARE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

## PARCEL B

LOT 36 IN PLAT 2 ROOSEVELT SQUARE SUBDIVISION, A RESUBDIVISION OF BLOCKS 6, 7 AND PART OF 8 OF HENRY WALLER'S SUBDIVISION, PART OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 27, 2004 AS DOCUMENT NUMBER 0414831143.

## PARCEL C

LOT 33 IN PLAT 2 ROOSEVELT SQUARE SUBDIVISION, A RESUBDIVISION OF BLOCKS 6, 7 AND PART OF 8 OF HENRY WALLER'S SUBDIVISION, PART OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 27, 2004 AS DOCUMENT NUMBER 0414831143.



# UNOFFICIAL COPY

## Permanent Tax Index Numbers and Addresses (All in Chicago, Illinois):

### Parcel A:

17-17-323-001, 17-20-334-004, 17-20-200-063, 17-20-207-045

1110 West Washburne	1132 West 13th	1228 West Taylor
1112 West Washburne	1222 West Taylor	
1118 West Washburne	1226 Blue Island	
1232 Blue Island	1244 Blue Island	
1254 Blue Island	1258 Blue Island	
907 South Lytle	914 South Racine	
1029 South Lytle	915 South Lytle	
1033 South Lytle	1016 South Racine	
1034 South Racine	1017 South Lytle	
1125 West Washburne	1022 South Racine	
1129 West Washburne	1038 South Racine	
1136 West 13th	1039 South Lytle	
1121 West Washburne		
1149 West Washburne		
1153 West Washburne		

1128 West Washburne	1205 Arthington	1210 West Grenshaw	1209 West Grenshaw
1130 West Washburne	1207 Arthington	1212 West Grenshaw	1211 West Grenshaw
1132 West Washburne	1209 Arthington	1214 West Grenshaw	1213 West Grenshaw
1134 West Washburne	1211 Arthington	1216 West Grenshaw	1215 West Grenshaw
1136 West Washburne	1213 Arthington	1218 West Grenshaw	1217 West Grenshaw
1138 West Washburne	1215 Arthington	1220 West Grenshaw	1219 West Grenshaw
1140 West Washburne	1221 Arthington	1222 West Grenshaw	1221 West Grenshaw
1142 West Washburne	1223 Arthington	1224 West Grenshaw	1223 West Grenshaw
	1225 Arthington		1225 West Grenshaw
	1227 Arthington		1227 West Grenshaw
	1229 Arthington		
	1231 Arthington		

### Parcel B:

17-20-200-063	1075 West Roosevelt
---------------	---------------------

### Parcel C:

17-20-200-062, 17-20-200-063	1155 West Roosevelt
------------------------------	---------------------