

UNOFFICIAL COPY



Doc#: 0705133241 Fee: \$36.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 02/20/2007 01:39 PM Pg: 1 of 7

JTS LHYNES #ST5095766-D1

SECURITY AGREEMENT - CHATEL MORTGAGE

Property of Cook County Clerk's Office

Box 400-CTCC

JHC

UNOFFICIAL COPY

Loan No:
Our File No: 40612A

Dated: February 15, 2007

SECURITY AGREEMENT- CHATTEL MORTGAGE

The undersigned Hispanic Housing Development Corporation, an Illinois corporation, 325 North Wells St., 8th Floor, Chicago, IL 60610 (hereinafter called "Debtor"), for valuable consideration, receipt whereof is hereby acknowledged, hereby grants to First Chicago Bank & Trust of 1145 N. Arlington Heights Road, Itasca, IL 60143 (hereinafter called "Secured Party") a security interest in, and mortgages to Secured Party, the following described goods and any and all additions and accessions hereto and products thereof (hereinafter called the "Collateral"):

See Rider A attached hereto

to secure payment of the following obligations of Debtor to the Secured Party (all hereinafter called the "Obligations"):

(i) Indebtedness of Debtor to Secured Party in the sum of Three Hundred Sixty Thousand (\$360,000) Dollars evidenced by Debtor's Promissory Note (hereinafter referred to as the "Note" which shall include any modification, renewal or extension of the Note) of even date herewith in said amount payable to the order of Secured Party as therein specified, together with interest thereon as provided in said Promissory Note and any renewals or extensions thereof, plus all costs of collection, legal expenses and attorneys' fees incurred by Secured Party upon the occurrence of a default under this agreement, in collecting or enforcing payment of such indebtedness, or in preserving, protecting or realizing on the Collateral herein;

(ii) Any note or notes executed and delivered to Secured Party by Debtor at any time before the entire indebtedness and all liabilities secured hereby shall be paid in full, evidencing a refinancing of an unpaid balance of any of the note(s) above described;

(iii) Any and all liabilities of Debtor to Secured Party arising under this agreement.

Debtor hereby warrants and covenants to the Secured Party as follows:

(a) The Collateral is bought or used primarily for Business use and is being acquired with the proceeds of the note or notes, which Secured Party may disburse directly to the seller of the Collateral;

(b) The Collateral will be kept at 2912 North Cicero, Chicago, IL 60641 and Debtor will promptly notify Secured Party of any change in the location of the Collateral within said State; and Debtor will not remove the collateral from said State without the prior written consent of the Secured Party;

(c) The Collateral may be affixed to real estate, and a legal description of the real estate concerned is set forth on Rider A attached hereto;

Box 400-CTCC

JAS HYNES # ST 5095760.D1

UNOFFICIAL COPY

(d) The name of the record owner of the said real estate is the Hispanic Housing Development Corporation, an Illinois Corporation and the title to the above described real estate is recorded in the office of the Recorder of Deeds in Cook County, Illinois.

(e) Debtor will on demand of Secured Party furnish the latter with a writing signed by all owners and encumbrancers of the real estate consenting to the security interest under this agreement or disclaiming any interest in the collateral as fixtures and Debtor will promptly notify Secured Party in writing of any such persons.

(f) If the collateral is fixtures and if this agreement is used as a financing statement, it may be filed in the real estate records of the County in which the collateral is located;

(g) The Collateral will be affixed only to the real estate described herein and will not be affixed to any other real estate so as to become fixtures on such other real estate without the prior written consent of the Secured Party.

(h) Except for the security interest granted hereby Debtor is the owner of the Collateral free from any adverse lien, security interest or encumbrance; and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(i) No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office. The Debtor shall immediately notify the Secured Party in writing of any change in name, address, identity or corporate structure from that shown in this Agreement and shall also upon demand furnish to the Secured Party such further information and shall execute and deliver to Secured Party such financing statements and other documents in form satisfactory to Secured Party and shall do all such acts and things as Secured Party may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Obligations, subject to no adverse liens or encumbrances; and Debtor will pay the cost of filing the same or filing or recording this agreement in all public offices wherever filing or recording is deemed by Secured Party to be necessary or desirable. A carbon, photographic or other reproduction of this agreement is sufficient as a financing statement.

(j) Debtor will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Collateral or any interest therein, without the prior written consent of Secured Party.

(k) Debtor shall keep the Collateral at all times insured against risks of loss or damage by fire (including so-called extended coverage), theft and such other casualties as Secured Party may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as Secured Party may approve, losses in all cases to be payable to Secured Party and Debtor as their interest may appear. All policies of insurance shall provide for at least ten days' prior written notice of cancellation to Secured Party as to compliance with the provisions of this paragraph. Secured Party may act as attorney for Debtor in making, adjusting and settling claims

UNOFFICIAL COPY

under and canceling such insurance and endorsing Debtor's name on any drafts drawn by insurers of the Collateral.

(l) Debtor will keep the Collateral free from any adverse lien, security interest or encumbrance and in good order and repair, shall not waste or destroy the Collateral or any part thereof, and shall not use the Collateral in violation of any statute, ordinance or policy of insurance thereon. Secured Party may examine and inspect the Collateral at any reasonable time or times, wherever located.

(m) Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement or upon any note or notes evidencing the Obligations.

DEBTOR FURTHER COVENANTS and agrees as follows:

1. Additional Rights of Parties. At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance on the Collateral upon failure by the Debtor, after having been requested so to do, to provide insurance satisfactory to the Secured Party, and may pay for the maintenance, repair, and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization. Until default Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon.

2. Events of Default. Debtor shall be in default under this agreement upon the occurrence of any the following events or conditions, namely: (a) default in the payment or performance of any of the Obligations or of any covenants or liabilities contained or referred to herein or in any of the Obligations; (b) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proving to have been false in any material respect when made or furnished; (c) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon which results in a material diminution in the value of the Collateral; or (d) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by, Debtor. Notwithstanding the foregoing, no default shall occur in the event any such loss, theft, substantial damage or destruction is materially covered by insurance.

3. Remedies. Upon such default (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and at any time thereafter (such default not having previously been cured), Secured Party at its option may declare all Obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Debtor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove

UNOFFICIAL COPY

the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code of Illinois); and the Secured Party shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Debtor's right of redemption in satisfaction of the Debtor's Obligations as provided in the Uniform Commercial Code of Illinois. Secured Party without removal may render the Collateral unusable and dispose of the Collateral on the Debtor's premises. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party for possession at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor at least 5 days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement at least five days before the time of the sale or disposition. Secured Party may buy at any public sale and if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, he may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorney's fees and legal expenses incurred by Secured Party, shall be applied in satisfaction of the Obligations secured hereby. The Secured Party will account to the Debtor for any surplus realized on such disposition and the Debtor shall remain liable for any deficiency. All rights and remedies under this agreement are subject to applicable bankruptcy law.

4. Remedies Cumulative. The remedies of the Secured Party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Uniform Commercial Code of Illinois shall not be construed as a waiver of any of the other remedies of the Secured Party so long as any part of the Debtor's Obligation remains unsatisfied.

5. General. No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtor shall bind his heirs, executors or administrators or his or its successors or assigns. If there be more than one Debtor, their obligations hereunder shall be joint and several. This agreement shall become effective when it is signed by Debtor.

6. Assignment. All rights of the Secured Party in, to and under this agreement and in and to the Collateral shall pass to and may be exercised by any assignee thereof. The Debtor agrees that if the Secured Party gives notice to the Debtor of an assignment of said rights, upon such notice the liability of the Debtor to the assignee shall be immediate and absolute. The Debtor will not set up any claim against the Secured Party as a defense, counterclaim or set-off to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Collateral, provided that Debtor shall not waive hereby any right of action to the extent that waiver thereof is expressly made unenforceable under applicable law.

UNOFFICIAL COPY

7. Invalidity. If any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

In witness whereof this Security Agreement has been signed on the day and year first above written.

Hispanic Housing Development Corporation

By: _____

Hipolito Poldan
Hipolito Poldan

Its: President

By: _____

Its: _____

PREPARED BY AND MAILED TO:
LAWRENCE A. GOLD, ESQUIRE
GOMBERG, SHARFMAN, GOLD & OSTLER, P.C.
208 SOUTH LA SALLE
SUITE 1200
CHICAGO, IL 60604

UNOFFICIAL COPY

Rider A to Security Agreement (Chattel Mortgage)

All machinery, apparatus, equipment, fittings, fixtures and articles of personal property now or hereafter attached to or adapted for use in the operation of building or buildings now erected or hereafter to be erected on that tract of land commonly 2912 North Cicero, Chicago, IL 60641 known as legally described below, including, but not limited to all heating, air conditioning, sprinklers, freezing, lighting, laundry, incinerating and dynamo and generating equipment; engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing and plumbing fixtures; lifting, cleaning, fire prevention, fire extinguishing, refrigerating, ventilating and communications apparatus; boilers, ranges, furnaces, oil burners or units thereof; appliances, air cooling and air-conditioning apparatus; vacuum cleaning systems; elevators, escalators; shades; awnings, screens; storm doors and windows; stoves, wall heaters, refrigerators, cooking apparatus and mechanical equipment, gas and electrical fixtures; partitions, mantels, built-in mirrors, window shades, blinds, furniture or public spaces, halls and lobbies; attached cabinets, ducts and compressors; rugs and carpets; draperies; furniture and furnishings used in the operations of the premises; together with all additions thereto and replacements thereof, and all building materials and equipment now or hereafter delivered to said land and building intended to be affixed to said land or installed in said building. Also all proceeds of sums payable in lieu of or as compensation for the loss of or damage to (1) any property covered hereby; or (2) the real property upon which the said property covered hereby is or may be located, and all rights in and to all pertinent present and future fire or other hazard insurance policies; all awards made by any public body or decreed by any court of competent jurisdiction for a taking or for degradation of value in or growing out of any eminent domain, change of grade or similar proceeding, also all interests and rights as lessor in and to all leases now or hereafter affecting the said real property or any part thereof and all rental income, whether payable pursuant to any present or future lease or otherwise, growing out of any occupancy or use of the property.

Legal Description

LOT 6 IN BLOCK 2 IN FALCONERS 2ND ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH ½ OF THE NORTHEAST ¼ OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 2912 NORTH CICERO, CHICAGO, IL 60641

PIN: 13-28-223-029