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THIS DOCUMENT PREPARED BY:

Crowley & Lamb, P.C.
350 North LaSalle Street, Suite 900
Chicago, Illinois 60610

Doc#: 0909844064 Fee: \$46.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/08/2009 12:58 PM Pg: 1 of 6

AFTER RECORDING RETURN TO:

Diamond Bank, FSB
100 West North Avenue
Chicago, Illinois 60610
Attn: Vice President

This space reserved for Recorder's use only

CROSS-COLLATERALIZATION AND CROSS-DEFAULT AGREEMENT

This Cross-Collateralization and Cross-Default Agreement is made this 6th day of June, 2008 by and among MIL PROPERTY GROUP, LLC SERIES 1, an Illinois limited liability company, having an address of 687 N. Milwaukee Avenue, Chicago, Illinois 60622 ("Series 1") and MIL PROPERTY GROUP LLC SERIES 3, an Illinois limited liability company ("Series 3"), having the same address (Series 1 and Series 3, together, "Loan Parties"), and Diamond Bank, FSB ("Lender").

WHEREAS, the Lender made three loans to 687 Property Group, LLC, an Illinois limited liability company ("687") in the aggregate principal amount of \$320,000 to Assignor (the "Assumed Loans") as evidenced and secured by (i) Loan Agreement dated as of January 28, 2008 between Assignor and Lender (the "687 Loan Agreement"), (ii) a certain Promissory Note I dated as of January 28, 2008 in the original principal amount of One Hundred Sixteen Thousand and 00/100ths Dollars U.S. (\$116,000.00) ("Promissory Note I"), a certain Promissory Note II dated as of January 28, 2008 in the original principal amount of Ninety Four Thousand and 00/100ths Dollars U.S. (\$94,000.00) ("Promissory Note II") and a certain Promissory Note III dated as of January 28, 2008 in the original principal amount of One Hundred Twenty Thousand and 00/100ths Dollars U.S. (\$120,000.00) ("Promissory Note III" and, collectively with Promissory Note I and Promissory Note II, the "Notes"), (iii) three separate Mortgage and Security Agreement and UCC Fixture Filings made by Assignor as of January 28, 2008 in favor of Lender, each encumbering one of the Parcels legally described in Exhibit A attached thereto and the improvements located hereon (collectively, "Properties") and recorded with the Cook County Recorder of Deeds ("Recorder") on January 31, 2008 as Document Number 0803131049 against Parcel I on Exhibit A hereto ("Mortgage I"), on January 31, 2008 against the real property commonly known as 1913 W. Armitage, Unit 1F, Chicago, IL ("Parcel II") ("Mortgage II"), and on March 13, 2008, as Document Number 0807335143 against Parcel III on Exhibit A hereto ("Mortgage III"), respectively, and (iv) the balance of the "Loan Documents" (as defined in the 687 Loan Agreement) and the Assumption Agreement (defined below) (collectively, items (i) through (iv) in this recital, as amended or modified from time to time, may be referred to herein as the "Series 1 Loan Documents");

WHEREAS, in 2008 687 sold Parcel II and Lender released Mortgage II and the related assignment of leases and rents;

WHEREAS, simultaneously herewith, 687 is conveying the remaining Properties encumbered by Mortgage I and Mortgage III (the "Assumed Mortgages") to Series 1 by deed and Series 1 is assuming all

Commercial Land Title
Insurance Company
21 W. Wacker Dr., Suite 1007
Chicago, IL 60601

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obligations of 687 under the Series 1 Loan Documents under that certain First Modification to Loan Documents and Assignment and Assumption Agreement ("Assumption Agreement") of even date herewith;

WHEREAS, simultaneously herewith, the Lender is making two loans to Series 3, in the aggregate principal amount of \$708,000 (the "Series 3 Loans"; together with the Assumed Loans, the "Loans") as evidenced and secured by (i) Loan Agreement of even date herewith between Series 3 and Lender (the "Series 3 Loan Agreement"), (ii) a certain Promissory Note of even date herewith in the original principal amount of Three Hundred Seventy Eight Thousand and 00/100ths Dollars U.S. (\$378,000.00) ("Series 3 Promissory Note"), and a certain Revolving Line of Credit Note of even date herewith in the original principal amount of Three Hundred Thirty Thousand and 00/100ths Dollars U.S. (\$330,000.00) ("Series 3 Revolving Note") and (iii) each of which Notes are being secured in part by a Mortgage and Security Agreement and UCC Fixture Filing ("Series 3 Mortgage") of even date herewith granted by Series 3 to Lender on the real property commonly known as 687-89 N. Milwaukee Ave., Units 687-B and 689-B, Chicago, IL and legally described on Exhibit A hereto as Parcel 1 and (iv) any and all documents and instruments which now or at any time evidence or secure the Series 3 Loans (collectively, items (i) through (iv) in this recital, as amended or modified from time to time, may be referred to herein as the "Series 3 Loan Documents"; together with the Series 1 Loan Documents, the "Loan Documents");

WHEREAS, in order to induce the Lender to approve the Assumption Agreement and extend the Series 3 Loans, Loan Parties agreed to grant the Lender an expanded security interest in the remaining collateral previously granted to the Lender as security for the Loans described hereinabove. Further, in connection with this Agreement, each Loan Party represents to the Lender that they are affiliates with each other. Each Loan Party further represents to Lender that it will derive an advantage from the Lender's extension of Series 3 Loans and approval of the Assumption Agreement and has agreed to execute this Agreement as an inducement to the Lender to extend the financial accommodations described above.

WHEREAS, it is and has been the intention of the Loan Parties and Lender to cross-collateralize and cross-default the Loans and obligations of the Borrower and each Additional Mortgagor owing to the Lender.

NOW, THEREFORE, in consideration of the foregoing premises and the promises contained herein and for other good and valuable consideration, receipt of which is hereby acknowledged, the parties mutually agree as follows:

1. All of the collateral granted to Lender by Series 1 to secure the Assumed Loans, including pursuant to the Assumed Mortgages, is hereby pledged to secure all past, present and future obligations of Series 3 to Lender under the Series 3 Loan Documents.
2. All of the collateral granted to Lender by Series 3 to secure the Series 3 Loans, including pursuant to the Series 3 Mortgage, is hereby pledged to secure all past, present and future obligations of Series 1 to Lender under the Series 1 Loan Documents.
3. Any default under the past, present and future obligations of Series 1 owed to Lender, including an Event of Default under the Series 1 Loan Documents, shall constitute an Event of Default under the Series 3 Loan Documents; and any default under the past, present and future obligations of Series 3 owed to Lender, including an Event of Default under the Series 3 Loan Documents, shall constitute an Event of Default under the Series 1 Loan Documents.
4. The Loan Parties agree that all provisions, stipulations, powers and covenants in the Loan Documents and other agreements referenced above shall remain in full force and effect except as modified by or in accordance with this Agreement.

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5. This Agreement shall be construed in accordance with the internal laws of the State of Illinois.

6. This Agreement shall inure to the benefit of the Lender's successors and assigns, and shall be binding upon the Loan Parties' successors and assigns.

[signature page attached]

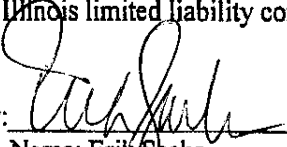
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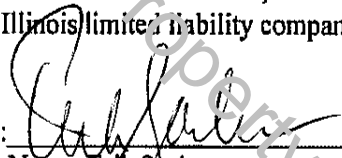
IN WITNESS WHEREOF, the parties hereto caused this Agreement as of the date and year first written above.

LOAN PARTIES:

MIL PROPERTY GROUP, LLC SERIES 1,
an Illinois limited liability company

By: 
Name: Erik Sachs
Title: Manager

MIL PROPERTY GROUP, LLC SERIES 3,
an Illinois limited liability company

By: 
Name: Erik Sachs
Title: Manager

Agreed:
DIAMOND BANK, FSB

By: _____
Name:
Title:

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EXHIBIT A

LEGAL DESCRIPTION

PARCEL I

UNIT NUMBER 1R IN THE 2709-11 WEST CHICAGO AVENUE CONDOMINIUM, AS DELINEATED ON A PLAT OF SURVEY OF THE FOLLOWING DESCRIBED PARCEL OF REAL ESTATE:

LOT 4 IN LOUISA GLANZA'S SUBDIVISION OF THAT PART OF BLOCK 4 AND 5, LYING NORTH AND EAST OF GRAND AVENUE IN WRIGHT AND WEBSTER'S SUBDIVISION OF THE NORTHEAST ¼ OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS AN EXHIBIT TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 0421634017, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

P.I.N. 16-12-200-023-1003

COMMONLY KNOWN AS: 2709-2711 W CHICAGO AVENUE, UNIT 1R, CHICAGO, IL 60622

PARCEL II

LOT 12 IN BLOCK 6 IN THE SUBDIVISION OF PART OF THE NORTH ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 31, 1889 AS DOCUMENT 1135885, IN COOK COUNTY, ILLINOIS

P.I.N. 16-04-319-004-0000

COMMONLY KNOWN AS: 5459 W. WALTON STREET, CHICAGO, IL 60631

PARCEL I

UNITS 687-B AND 689-B TOGETHER WITH THEIR UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS IN AVENUE LOFTS COMMERCIAL CONDOMINIUM, AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED AS DOCUMENT NUMBER 96649607 AND AMENDED BY DOCUMENT NUMBER 0816445068, IN THE NORTHEAST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 17-08-220-048-1001 & 17-08-220-048-1002

COMMONLY KNOWN AS: 687-689 N. MILWAUKEE, UNITS 687-B AND 689-B, CHICAGO, ILLINOIS