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This Document Prepared By:
Joselynn Gardner
Assistant State's Attorney
Cook County State's Attorney's Office
500 Richard J. Daley Center
Chicago, Illinois 60602
(312) 603-6638

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RETURN TO BOX 183

Project Number: 9000000003

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SECURITY AGREEMENT
HOME INVESTMENT PARTNERSHIPS PROGRAM

THIS SECURITY AGREEMENT ("Agreement") is made on 2/28, 2011 by **Habitat for Humanity Chicago South Suburbs**, an Illinois Not-for-Profit Corporation, whose address is 139 W. Joe Orr Road, Chicago Heights, Illinois 60411 (the "**Borrower**") and the **County of Cook**, a body politic and corporate of the State of Illinois (the "**County**" and "**Lender**").

1. Whereas, pursuant to a loan agreement ("**Loan Agreement**") dated the same day as this Agreement, the County has agreed to make a loan to Borrower in the original principal amount of Fifty-Five Thousand and no/100 U.S. Dollars (\$55,000.00) (the "**Loan**") in connection with the rehabilitation of a single family home to provide affordable home ownership or rental housing which is decent, safe and sanitary to low and very-low income persons, located in Forest Park, Illinois, which is legally described in **Exhibit A**, which is attached hereto and made a part hereof (the "**Project**").

2. For valuable consideration of the sum of (\$1.00), the Borrower hereby grants and conveys to the County a continuing security interest in the Collateral (the "**Collateral**") in connection with the real property which is legally described in **Exhibit A**, to secure the indebtedness, evidenced by the note ("**Note**") dated the same day as this Agreement, and all of the obligations under the Loan Documents (collectively "**Obligations**,") pursuant to the Uniform Commercial Code ("**UCC**") as in effect in the State of Illinois.

The word "Collateral" means the following described property and interests in property of Borrower located on the real estate described in **Exhibit A**, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (a) All attachments, equipment, machinery, furniture, fixtures, vehicles, accessions, accessories, tools, parts, supplies, increases, and additions to and all replacements of and substitutions for any property described above;

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- (b) All products and produce of any of the property described herein;
- (c) All accounts (including but not limited to replacement reserves, operating expenses and real estate taxes and insurance escrow accounts established), general intangibles (including but not limited to inventions, designs, patents, patent applications, trademarks, trademark applications, trade names, trade secrets, goodwill, copyrights, registrations, licenses, franchises, tax refund claims and any guaranty claims, security interest, or other security held by Borrower), contract rights, chattel paper, instruments, documents, inventory, rents, monies, payments, and all other rights arising out of a sale, lease, or other disposition of any of the property described herein;
- (d) All proceeds (including insurance proceeds) from the sale, destruction, loss or other disposition of any of the property described herein; and
- (e) All records, books and data relating to any of the property described herein, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Borrower's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

However, the Collateral shall not include any equipment or property leased by Borrower or any property owned by tenants of the Project. Borrower further agrees that the County shall have the rights stated in this Agreement with respect to the Collateral, in addition to other rights which the County may have by state or federal law.

3. The security interest hereby granted is to secure the payment of all loans, advances, debts, liabilities, obligations, covenants, and duties owed by Borrower to the County of every kind and description, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising, including, without limitation, all interest, fees, charges, expenses, attorney's fees.

4. Borrower warrants and represents to the County that it owns the collateral free and clear of any lien, security interest, encumbrance and other claim of any kind, other than the Security Interest created by this Agreement, and secured by a mortgage in the first position, and that Borrower has the full power to grant the Security Interest.

5. Borrower agrees to comply with the requirements of all valid and applicable state and federal law in order to grant the County a valid, perfected lien, and Security Interest in, the collateral, and shall, upon request of the County, from time to time, execute and deliver to the County one or more financing statements pursuant to the Uniform Commercial Code then in effect in the State of Illinois, and any other instruments required the County in connection herewith, the filing of which is advisable, in the sole judgment of the County, to perfect the County's Security Interest in the Collateral under the laws of the United States or the State of Illinois. Borrower hereby authorizes the County to execute and file, at any time and from time to time, on behalf of the Borrower, one or more financing statements with respect to the Collateral, the filing of which is advisable, in the sole judgment of the County, including, without limitation, continuation statements and statements reperfecting a security interest in any of the Collateral where the financing statements with respect thereto had lapsed. Borrower hereby irrevocably empowers

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and appoints the County or any and all persons designated by the County, or any of them, with full power of substitution, as its attorney-in-fact for the purpose of executing any documents necessary to perfect or to continue to perfect the security interest granted in this Agreement, even in the event that the Borrower becomes dissolved, terminated, bankrupt or insolvent. Borrower will reimburse the County for all expenses for the perfection and the continuation of the perfection of the County's security interest in the collateral. Borrower agrees to notify the County prior to any change in its name or its mailing address or principal place of business.

6. Unless specifically otherwise agreed by the County in writing, Borrower shall:

- (a) Maintain possession of the Collateral on the Project premises and not remove the Collateral from that location, except in the ordinary course of business;
- (b) Maintain the Collateral in good and salable condition, repair it if necessary, and otherwise deal with the Collateral in all such ways as are considered good practice by owners of such property;
- (c) Use the Collateral lawfully and only as permitted by insurance policies;
- (d) Any duly authorized representative of the County or the United States Department of Housing and Urban Development ("HUD") shall have access to and be allowed to inspect the Collateral and any records relating to the Collateral at all reasonable times upon prior reasonable notice during the term of this Agreement.
- (e) Insure the Collateral for its full replacement value, in the name of and with loss or damage payable to the County, as more particularly described in the Loan Agreement. Subject to certain rights of the Lender under the Mortgages and of the Borrower to use insurance proceeds, as set forth in the mortgage given to County ("**Mortgage**"), Borrower hereby assigns (and direct any insurer to pay) to the County the proceeds or refunds, and, at the option of the County, to apply such proceeds and refunds to any unpaid balance of the Obligations, whether or not due, and/or to restoration of the Collateral, returning excess to the Borrower. The County is authorized to settle and adjust any claim under insurance policies which insure the Collateral against risks.
- (f) Keep the Collateral free and clear of all liens, encumbrances and security interests of others.

7. Borrower will promptly defend any proceeding or challenge which may affect the Security Interest or the title to the Collateral, and will reimburse the County for all costs and expenses incurred by the County in connection with such defense.

8. Borrower will pay when due all existing or future charges, liens or encumbrances on, and all taxes and assessments now or hereinafter imposed on or affecting the Collateral.

9. Borrower shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereinafter in effect, applicable to the ownership, production, disposition, or use of the collateral as more particularly proscribed in the Loan Agreement, Note, Mortgage, Assignment of Leases and Rents, Declaration of Covenants, Conditions and Restrictions, and any other loan documents required by County ("**Related Loan Documents**").

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10. An Act of Default under this Agreement is an action or failure to act as defined under the Related Loan Documents. Upon an Act of Default by Borrower the County is entitled to any and all of the remedies defined in the Related Loan Documents. Borrower will have 30 days from the date written notice of default is delivered or mailed to the Borrower in which to "Cure" the default, provided however that if a default is not reasonably capable of cure within 30 days, Borrower shall have such additional time as is reasonably necessary so long as Borrower has commenced to Cure within 30 days and is proceeding diligently to effect a Cure.

11. This Agreement together with Related Loan Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

12. This Agreement shall be governed by and construed under the laws of the State of Illinois and any applicable federal laws. If there is a lawsuit, Borrower agrees upon the County's request to submit to the jurisdiction of the courts of the State of Illinois.

13. Borrower agrees to pay upon demand all of the County's costs and expenses, including reasonable attorney's fees and the County's legal expenses, incurred in connection with the enforcement of this Agreement. The County may pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include the County's attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower shall also pay all court costs and such additional fees as may be directed by the court.

14. All notices required to be given under this Agreement shall be given in writing, may be sent by facsimile (unless otherwise required by law), and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, the Borrower agrees to notify the County prior to any change in its name or its mailing address or principal place of business.

Notices and communications under this Agreement shall be sent to the respective parties at the addresses set forth below and shall be deemed to have been given and received upon delivering same or upon three days after mailing same by certified mail postage prepaid.

TO THE COUNTY:

Bureau of Community Development
69 West Washington, Suite 2900
Chicago, Illinois 60602
Attn: Bureau Chief

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TO THE BORROWER:

Habitat for Humanity Chicago South Suburbs
an Illinois Not-for-Profit Company
139 W. Joe Orr Road
Chicago Heights, IL 60411
Attn: Executive Director

15. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law. In the event that any provision or clause of this Agreement conflicts with applicable law, such conflict shall not affect other provisions which can be given effect without the conflicting provision. To this end the provisions of this Agreement are declared to be severable.

16. Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

17. The County shall not be deemed to waive any rights under this Agreement unless such waiver is given in writing and signed by the County. No delay or omission on the part of the County in exercising any right shall operate as a waiver of such right or any other right. A waiver by the County of a provision of this Agreement shall not prejudice or constitute a waiver of the County's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by the County, nor any course of dealing between the County and Borrower, shall constitute a waiver of any of the County's rights or any of Borrower's obligations as to any future transactions. Whenever the consent of the County is required under this Agreement, the granting of such consent by the County in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of the County.

18. This Agreement may be executed in any number of counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.

BORROWER ACKNOWLEDGES HAVING READ ALL OF THE PROVISIONS OF THIS SECURITY AGREEMENT AND BORROWER AGREES TO ITS TERMS.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by its authorized representatives as of the date first written above.

COUNTY OF COOK, ILLINOIS

By: *John P. Schneider*
John Schneider, Interim Bureau Chief
Cook County Bureau of Community Development

ATTEST: *David Orr*
David Orr, County Clerk

Approved as to form: _____
Assistant State's Attorney

BORROWER

Habitat for Humanity Chicago South Suburbs
an Illinois Not-for-Profit Corporation

By: *David Tracy*
David Tracy, Executive Director

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that DAVID TRACY is 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 Executive Director, of Habitat for Humanity Chicago South Suburbs signed, sealed and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 28th day of FEBRUARY, 2011.

My Commission expires: 6-13-13
Barbara Huba
Notary Public



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EXHIBIT A

LEGAL DESCRIPTION:

LOT 28 IN BLOCK 28 IN LINCOLNWOOD CENTER, BEING A SUBDIVISION OF PART OF THE SOUTHEAST ¼ AND PART OF THE SOUTHWEST ¼ OF SECTION 24, TOWNSHIP 35 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 26, 1958 AS DOCUMENT 17245364 AND FILED IN THE OFFICE OF THE REGISTRAR OF TITLES AS DOCUMENT NUMBER LR1803326. IN COOK COUNTY ILLINOIS.

PERMANENT INDEX NUMBER(S):

31-24-314-005-0000

COMMON STREET ADDRESS:

**209 Lee Street
Park Forest, Illinois 60466**

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