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This Document Prepared By and Mail to:
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Special Assistant of Legal Affairs
Bureau of Economic Development
69 W. Washington, 29th Floor
Chicago, Illinois 60602
(312) 603-1067

Doc#: 1231447023 Fee: \$50.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 11/09/2012 11:49 AM Pg: 1 of 7

NSP Project Number: N0931343

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**SECURITY AGREEMENT
NEIGHBORHOOD STABILIZATION PROGRAM**

THIS SECURITY AGREEMENT ("Agreement") is made on August 21, 2012, between Presidio Capital, LLC., an Illinois Limited Liability Corporation, having a principal place of business at 3 Grant Square, Suite 415, Hinsdale, Illinois 60521 (the "**Borrower**") and the **County of Cook**, a body politic and corporate of the State of Illinois (the "**County**" and "**Lender**"). Capitalized terms used but not defined herein shall have the meaning given to such terms in the Loan Agreement.

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 up to Two Hundred Fourteen Thousand Four Hundred Thirty-Four and 08/100 U.S. Dollars (\$214,434.08) (the "**Loan**") in connection with the purchase and rehabilitation of the property legally described in **Exhibit A** (the "**Property**"), which is attached hereto and made a part hereof.
2. For valuable consideration of the sum of one dollar (\$1.00), the Borrower hereby grants and conveys to the County a continuing security interest in the Collateral (the "**Collateral**") in connection with the Property 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 "**State**").

The word "Collateral" means the following described property and interests in property of Borrower located on the Property, whether now owned or hereafter acquired or 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;
- (b) All products and produce of any of the property described herein;

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- (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, any equipment, property or other assets owned by Borrower and not associated with the Property, or any property owned by tenants of the Property.

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 the Loan and all obligations of Borrower set forth in the Loan Documents, 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 Permitted Exceptions, security interest created by this Agreement and the Mortgage, 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 reasonable judgment of the County, to perfect the County's security interest in the Collateral under the laws of the State of Illinois and the United States. 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 reasonable judgment of the County, including, without limitation, continuation statements and statements re-perfecting a security interest in any of the Collateral where the financing statements with respect thereto had lapsed. Borrower hereby irrevocably

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under HERA or the ACT, which may be amended and supplemented from time to time. The Borrower shall obtain all Federal, State and local governmental approvals required by law for the Project. The Borrower shall cause the Project to comply with all local codes, ordinances, zoning ordinances, and the Cook County Bureau of Community Development Property Standards Policy.

2. Maintaining Affordability. Every person or entity who is an Owner of the Property is bound to comply with the affordable housing requirements set forth at 24 CFR Part 92, and as amended, as well as those requirements of the County NSP Program set forth herein:

a. Compliance with the County NSP Program includes maintaining any applicable affordable housing for very low-income and low-income persons as set forth at 24 CFR Part 92, sections 92.252 and 92.254 for the Applicable Affordable Housing Period:

(i) Section 92.252 sets forth, inter alia, rent limitations necessary to qualify as affordable housing and provides that an Owner of real estate must reexamine the income of each tenant household living in low-income units at least annually pursuant to Department of Housing and Urban Development ("HUD") guidelines. The maximum monthly rent must be recalculated by the Owner and reviewed and approved by Cook County annually; and

(ii) Section 92.254 sets forth, inter alia, purchase and/or rehabilitation limitations for qualification as affordable homeownership and provides that as to purchase, resale restrictions include making the housing available only to a low-income family, as determined by HUD, that will use the Real Estate as its principal residence.

(iii) Declarant represents and warrants that all the units are comparable for purposes of 24 CFR 92.252(j) and, in the event that HUD determines that they are not comparable, Declarant agrees to cover all costs incurred by the County associated with the adverse determination by HUD.

b. The Project shall have an after-rehabilitation market appraised value not to exceed \$275,000.00. If required by County, such value shall be established by an after rehabilitation market appraisal performed by a State licensed or certified in accordance with title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 et seq.) (See the Current FHA Appraiser Roster).

c. In the event of foreclosure or deed in lieu of foreclosure relating to any other loan encumbering the Property, the County shall have the right, but not the obligation, to acquire the project prior to such foreclosure or deed in lieu of foreclosure to preserve the foregoing affordability provisions of the NSP Program Regulations.

3. Bar from other County Programs. If the County determines that any Owner has violated any of the covenants, conditions or restrictions of this Declaration, the County may bar the Owner, its directors, officers, principals, and agents from ever again participating in any Cook County administered or Cook County related federally assisted housing program, and all

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such Owners, directors, officers, principals and agents are bound by said determination made by the County.

4. Violation of Agreement by Borrower. Upon violation of any of the provisions of this Declaration by Borrower, County shall give written notice thereof to Borrower in the manner provided in Paragraph 10 hereof. If such violation is not corrected to the satisfaction of County within seven (7) days (with respect to monetary defaults) or within thirty (30) days (with respect to non-monetary defaults) after the date such notice is mailed, or within such further time as the County permits. Then the County may declare a default under this Declaration ("**Default**"), effective on the date of such declaration of default and notice thereof to Borrower, and upon such default the County may exercise any rights or remedies as may be available.

The County's remedies are not cumulative, and the exercise of one remedy shall not be deemed an election of remedies, nor foreclose the exercise of any other remedy by the County. No waiver of any breach of this Declaration by the County shall be deemed to be a waiver of any other breach or a subsequent breach. If the County fails to exercise, or delays in exercising, any right under this Declaration, such failure or delay shall not be deemed a waiver of such right or any other right.

5. Term of Agreement; Covenants Run with the Land. The covenants, conditions, and restrictions contained herein shall commence on the date hereof and shall run with the land. By execution and recordation of this Declaration, the Borrower subjects the Property and any such addition thereto as may hereafter be made, to the covenants and restrictions herein. This Declaration shall be binding on all persons and entities who hold title to or an interest in the Property, any portion thereof, including contract sellers, and those claiming under them, during the affordable housing period, unless an instrument signed by the then owner of the Property and the duly authorized chief administrative officer of the County of Cook or his/her designee, on behalf of Cook County, or the County's successors and assigns to the administration or management of the County NSP Program, changing said declaration in whole or in part has been executed and recorded.

In the event that any Owner, including a contract seller, desires to transfer title to the real estate within the applicable affordable housing period, as a condition precedent to each and every proposed transfer, the Owner shall notify the Bureau Chief of the Bureau of Community Development in writing to that effect by registered or certified mail at the principal office of the Bureau of Community Development. Further, the Owner and prospective grantee shall submit to the Bureau Chief the information necessary for the County to make a determination as to whether affordable housing will be maintained by the prospective grantee pursuant to the County NSP Program.

Within thirty (30) days subsequent to the sending of notice by the County to the Owner, the County will issue, or refuse to issue, its "Cook County NSP Program Certificate of Compliance", executed by the Bureau Chief or his/her designee, or the County's successors and assigns to the administration or management of the County NSP Program. The Certificate of Compliance is the County's certification that the covenants, conditions and restrictions in this Declaration are not violated by the proposed transfer of title. If the County does not issue its Certificate of Compliance, any transfer of title is in violation of the covenants, conditions and restrictions contained herein, and the County will have the right to exercise all remedies set forth in this agreement in addition to all other rights and remedies at law or in equity. In the event the

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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 reasonable 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 executed this Agreement by authorized representatives as of the date first written above.

COUNTY OF COOK, ILLINOIS

By: [Signature]
Herman Brewer, Bureau Chief
Cook County Bureau of Economic Development

ATTEST: [Signature]
David Orr, Cook County Clerk

Approved as to form: [Signature]
Staff Attorney

BORROWER
Presidio Capital, LLC
An Illinois Limited Liability Corporation

[Signature] / President
Signature/Title

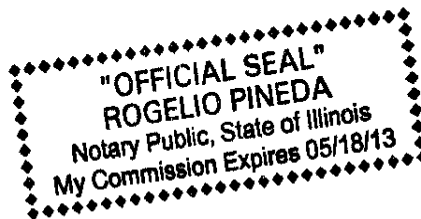
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that amar Maani 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 President for Presidio Capital LLC. 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 30 day of August, 2012.

My Commission expires: 5/18/13

[Signature]
Notary Public



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EXHIBIT A

LEGAL DESCRIPTION:

LOT 11 IN BLOCK 27 IN GRANT LOCOMOTIVE WORKS ADDITION TO CHICAGO,
BEING A SUBDIVISION IN SECTION 21, TOWNSHIP 39 NORTH, RANGE 13, EAST
OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER:

16-21-214-034-0000

COMMON STREET ADDRESS:

1320 S. 48th Court
Cicero, Illinois 60804

Property of Cook County Clerk's Office