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KAREN A. YARBROUGH

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DATE: 02/03/2022 09:38 AM PG: 1 OF 10

File No.: 21GNW754029SK ^{4/4}

(Grantor)

and Security Agreement and Assignment of Interest in Land Trust

(Grantee) Ronald Essex

This page is added to provide adequate space for recording information and microfilming.
Do not remove this page as it is now part of the document.

PREPARE BY AND RETURN THIS DOCUMENT TO:

Ronald Essex
7124 S. Mozart St.
Chicago, IL 60629

Chicago Title and Trust Company
10 South LaSalle Street, Suite 2850
Chicago, IL 60603

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SECURITY AGREEMENT AND ASSIGNMENT OF INTEREST IN LAND TRUST

[RECOURSE]

LOAN #: 8420-01870

THIS SECURITY AGREEMENT AND ASSIGNMENT OF INTEREST IN LAND TRUST (this "Agreement") is dated 4/16/2021 by RONALD ESSEX, (hereinafter referred to as "Co-Borrower"), who resides at 9763 S. BEVERLY BLVD., CHICAGO, IL 60643, the owner of one hundred percent (100%) of the entire beneficial interest in and power of direction under a Trust Agreement dated 4/13/2021, (hereinafter referred to as the "Trust Agreement" or the "Trust"), identified on the records of the Trustee and known as Trust Number 8002385787 of which CHICAGO TITLE LAND TRUST COMPANY, located at 12 S. LASALLE STREET, CHICAGO, IL 60603 is the Trustee (the "Trustee") and COMMUNITY INVESTMENT CORPORATION, an Illinois not-for-profit corporation, with its offices at 222 South Riverside Plaza, Chicago, IL 60606 (hereinafter referred to as the "Secured Party").

1. Grant of Security Interest; Assignment; Collateral. To secure the Obligations hereinafter described, Co-Borrower hereby grants a security interest in and assigns to Secured Party all of the rights and interests of Co-Borrower under the Trust Agreement including without limitation: (a) the right to receive distribution of any property held by the Trustee (such property being hereinafter referred to as the "Trust Property") and all proceeds from all dispositions or realizations of any kind thereof, whether disposition is by way of sale, rental, mortgage or otherwise and whether realization is by way of recovery of the proceeds of any insurance covering the Trust Property; and (b) all rights to manage, direct and control the Trust Property; and (c) the absolute assignment and transfer to Secured Party of all rights and powers of direction with regard to the Trust, and the proceeds of any of the foregoing. The foregoing rights and interest of Co-Borrower in and under the Trust Agreement are hereinafter called "the Collateral."

2. Obligations. The obligations secured by this Agreement (hereinafter referred to as the "Obligations") are the following: (a) the indebtedness evidenced by that certain **Adjustable Rate Construction Loan Note** executed by the Trustee and Co-Borrower to Secured Party dated 4/16/2021 (the "Note"), in the principal amount of **FOUR HUNDRED AND TWENTY THOUSAND AND NO/100 Dollars (\$420,000.00)**, or so much thereof as shall have been advanced, and any extensions, renewals or refinancing thereof (the "Loan"); (b) any and all sums as may be due and payable to Secured Party under the Construction Loan Mortgage and Security Agreement with Collateral Assignment of Leases and Rents (the "Mortgage") and the Construction Loan Agreement (the "Loan Agreement") dated of even date herewith among the Co-Borrower, Trustee and Secured Party, and (c) any sums paid or incurred by Secured Party pursuant to paragraph 4(a) hereof; and (d) all costs and expenses, including without limitation court costs and reasonable attorney's fees, incurred or sustained by Secured Party in enforcing the terms of this Agreement or the collection of the Obligations hereby secured. The Note is further secured by a Guaranty of Payment and Completion dated as of the date hereof. The Note, the Mortgage, the Loan Agreement, the Guaranty and any other documents securing or evidencing the indebtedness are collectively defined herein as the "Loan Documents."

3. Representations, Warranties and Covenants of Co-Borrower. Co-Borrower represents, warrants and covenants as follows:

- (a) Co-Borrower is the sole owner of the beneficial interest in the Trust free and clear from all liens, claims and encumbrances except the security interest herein granted and except as otherwise disclosed in paragraph 8 hereof. Co-Borrower will defend the Collateral and the Trust Property against all claims of any persons adverse to the claim of Secured Party.

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- (b) The Trust is the owner of record of the property described in paragraph 9 hereof. The property is free and clear from all liens, claims and encumbrances except as described in said paragraph 8.
- (c) There is no financing statement on file in any public office relating to the beneficial interest of the Trust, and so long as any amount remains unpaid on any of the Obligations of Co-Borrower or the Trustee to Secured Party, Co-Borrower will not execute nor cause the Trustee to execute any financing statement with respect to the Collateral.
- (d) Co-Borrower shall not assign, sell, transfer, encumber or grant a security interest in the Collateral to anyone other than Secured Party nor direct the Trustee to assign, sell, transfer or encumber any of the Trust Property (nor suffer or permit anyone else to do so) without the prior written consent of Secured Party first obtained; provided further, that Secured Party shall be under no obligation to grant its consent to any such assignment, sale, transfer or encumbrance and Secured Party may withhold and/or delay and/or condition its consent, at its sole election, without incurring any liability to Co-Borrower, the Trustee or any other person or entity.
- (e) Co-Borrower will keep the Trust Agreement in full force and effect and timely pay to the Trustee all of Trustee's costs and expenses and fees imposed under the Trust Agreement so long as any Obligations remain outstanding to Secured Party.
- (f) No action or undertaking, nor any direction under the Trust Agreement shall be taken or permitted or authorized by the Co-Borrower without in each instance the prior written consent of the Secured Party, and Secured Party is authorized by the Co-Borrower to file such documentation with the Trustee as Secured Party deemed necessary or desirable to carry out this provision. The foregoing provisions shall be unconditional and irrevocable by Co-Borrower, but shall be released by Secured Party upon the payment in full of the Obligations.
- (g) Co-Borrower is a single-asset entity and shall not, at any time, acquire any assets and shall not engage in any operations, except for the Trust Property, and assets which are directly related to the ownership and operation of the Trust Property. Co-Borrower agrees to take all action reasonably requested by the Secured Party to maintain Co-Borrower as a "single asset entity."

4. Rights and Privileges of Secured Party.

- (a) Secured Party shall have the right, but not the obligation (i) to discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Trust Property or any other of the Collateral; (ii) to pay all charges and fees of the Trustee under the Trust Agreement that may become delinquent, and (iii) to pay premiums for insurance on, and expenses in connection with the maintenance and preservation of, the Trust Property or any other Collateral. Any payments made or expenses incurred by Secured Party pursuant to this subparagraph shall become a part of the Obligations hereby secured and Co-Borrower agrees to reimburse Secured Party on demand for the amount paid or incurred plus interest thereon at a rate equal to five (5) percent per annum above the then-current interest rate under the Note secured hereby.
- (b) Notwithstanding anything to the contrary contained in the Trust Agreement, the interest hereinabove described is granted and assigned to Secured Party by way

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of collateral security only and Secured Party by its acceptance hereof shall not be deemed to have assumed or become liable for any of the obligations or liabilities of Co-Borrower under the Trust Agreement, whether provided for by the terms thereof, arising by operation of law, or otherwise. Co-Borrower hereby expressly acknowledges that Co-Borrower shall remain solely liable thereunder to the same extent as though this Agreement had not been made.

- (c) The acceptance by Secured Party at any time and from time to time of partial payment on the Obligations shall not be deemed to be a waiver of any default then existing. No waiver by Secured Party of any default shall be deemed to be a waiver of any other than existing or subsequent default, nor shall any such waiver by Secured Party be deemed to be a continuing waiver. No delay or omission by Secured Party in exercising any right, remedy or privilege hereunder shall impair any such right, remedy or privilege or be construed as a waiver thereof or any acquiescence in the default giving rise thereto, nor shall any single or partial exercise of any such right, remedy or privilege preclude other or further exercise thereof, or the exercise of any other right, remedy or privilege of Secured Party hereunder.

All rights, remedies and privileges available to Secured Party hereunder shall be cumulative, of and in addition to all other rights, remedies and privileges available to Secured Party at law or in equity, or by reason of the Note or the Mortgage, and may be exercised from time to time, and as often as may be deemed expedient by Secured Party.

5. **Events of Default.** The occurrence or existence of any one or more of the following events or conditions shall constitute an "Event of Default" hereunder:

- (a) failure to pay the Obligations or any part thereof when due or failure to perform any covenant, condition or agreement on the part of Co-Borrower to be kept, performed or observed under this Agreement, or an Event of Default shall occur under the Note, Mortgage, Construction Loan Agreement, or any of the Loan Documents; or
- (b) breach of any representation, warranty, or covenant by Co-Borrower in this Agreement; or
- (c) any misrepresentation made by Co-Borrower in this Agreement or in any document furnished to the Trustee by Co-Borrower in connection with the Collateral or the Trust Property; or
- (d) any event of default under any of the Loan Documents after the expiration of any applicable cure periods; or
- (e) the occurrence or existence of any event which results in the acceleration of the maturity of any indebtedness of Co-Borrower or the Trustee owing to any party under a loan agreement or other undertaking by Co-Borrower or the Trustee; or
- (f) the creation of any lien or encumbrance upon the Collateral or the Trust Property except as set forth in paragraph 8 hereof, or the making or permitting of any levy, judicial seizure or attachment thereof or thereon; or
- (g) any loss, theft, damage or destruction of the Trust Property not adequately insured; or

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- (h) death, dissolution, termination of existence or incapacitation of Co-Borrower or the death or incapacitation of any guarantor of the obligations under the Loan Documents; or
- (i) appointment of a receiver for any part of the property of Co-Borrower, or the making of any assignment for the benefit of creditors by Co-Borrower or the initiation of any proceeding under the Bankruptcy Laws by or against Co-Borrower; or
- (j) the assignment, sale, transfer, conveyance or encumbrance of the Trust Property or the beneficial interest in the Trust, in whole or in-part, or, if the Co-Borrower is a partnership, any change in, or substitution or withdrawal of any general partner or fifty percent (50%) or greater partner interest of the partnership, or if the owner is a corporation, any sale, assignment, pledge or other transfer of fifty percent (50%) or more of the stock of said corporation or if the Co-Borrower is a limited liability company any change in, or substitution or withdrawal of any manager or fifty percent (50%) or greater member interest of the company.
6. **Rights of Parties Upon Default.** Upon the occurrence or existence of an Event of Default, or at any time or times or from time to time thereafter, Secured Party may:
- (a) exercise any one or more of the rights or remedies set forth in the Note or the Mortgage or the Construction Loan Agreement or in any other evidence of the Obligations secured hereby or in any agreement between Co-Borrower and Secured Party, and in addition thereto, Secured Party shall have full power and authority to exercise any one or more of the remedies of a secured party under the Uniform Commercial Code of Illinois (the "Code"). Any requirement of the Code for reasonable notice shall be met if such notice is mailed, postage prepaid, to the Co-Borrower at the address of the Co-Borrower as shown on the records of Secured Party at least fifteen (15) days prior to the time of the sale, disposition or other event giving rise to the requirements of notice. The right of Secured Party to be the purchaser for its own account at any sale or other disposition of the Collateral shall not be affected by the fact that Secured Party is now, or may be at the time of such sale or other disposition, the Trustee under the Trust Agreement, nor shall such fact in any manner otherwise affect or impair the rights of Secured Party to sell, dispose of or otherwise deal with the security interest granted herein. Secured Party shall have the right, in connection with any such sale of Collateral, to execute and deliver an assignment of the beneficial interest herein to any purchaser at such sale, free of any right of redemption by Co-Borrower, and upon the filing thereof with the Trustee of the Trust, the Trustee may recognize said assignee as the absolute owner of said beneficial interest for any and all purposes whatsoever and may act upon the direction of said assignee without any liability or obligation to Co-Borrower whatsoever and without inquiry into the validity or propriety of such sale or assignment, and irrespective of any notice whatsoever from Co-Borrower or any other person unless the Trustee is served with an order of court prohibiting further action by the Trustee upon the direction of such assignee; or
- (b) Secured Party may proceed immediately to exercise each and all of the powers, rights and privileges reserved or granted to the Co-Borrower under the Trust Agreement to manage, direct, control and deal with the Trust Property or any part thereof, including without limitation the right to collect and receive rentals, security deposits and the proceeds of mortgages, sales, conveyances or other dispositions or realizations of the Trust Property or any part thereof; or

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- (c) Secured Party may proceed to protect and enforce this Agreement by suits or proceedings at law or in equity, whether for the foreclosure hereof or for the appointment of a receiver of the Trust Property or any part thereof, or for the enforcement of any other proper legal or equitable remedy available under applicable law.

Any net proceeds received by Secured Party by reason of the exercise of any one or more of the remedies set forth in subparagraphs (a), (b), and (c) above, after first deducting all reasonable legal or other costs and expenses in effecting such realization, shall be applied to the Obligations hereby secured, with any deficiency to be immediately paid by Co-Borrower. Upon full payment of the Obligations hereby secured, this Agreement and the lien or charge created hereby or resulting herefrom shall cease to exist.

7. Additional Provisions.

- (a) Successors and Assigns. All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns, and subject to the limitations on transfer and assignability set forth herein, all obligations of Co-Borrower shall bind its or his successors, heirs and assigns.
- (b) Joint and Several Liability. In the event this Agreement is executed by more than one Co-Borrower, the word "Co-Borrower" shall be deemed to include all of them (or any of them) and all of the undertakings contained herein shall be the joint and several obligations of the Co-Borrowers and each of them.
- (c) Severability. Every provision hereof is intended to be severable. If any provision of this Agreement shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the other provisions hereof, which shall remain binding and enforceable.
- (d) Governing Law. The terms of this Agreement shall be governed by the laws of the State of Illinois.

8. Subordination. In the event of the existence of a prior assignment of the Collateral which has heretofore been approved in writing by Secured Party, this Agreement shall be deemed subordinate to such prior assignment and none of the representations or warranties made by Co-Borrower herein shall be deemed breached by reason of such permitted prior assignment.

9. Address of the Property. The Trust Property, which is the real estate covered by the Trust Agreement, is commonly known as 7124 AND 7126 S. MOZART STREET, CHICAGO, ILLINOIS 60629 and legally described as set forth as Exhibit "A".

10. Further Performance. Co-Borrower and Trustee, wherever and as often as they shall be requested by Secured Party, shall execute, acknowledge and deliver, or cause to be executed, acknowledged, and delivered such further instruments and documents and shall do any and all things as may be requested to correct mistakes or errors in the Loan Documents and/or to carry out the intent and purpose of the Loan Documents. Such may include Uniform Commercial Code Financing Statements or other such documents or instruments necessary to perfect the security interests granted hereunder. Co-Borrower and Trustee hereby authorize the Secured Party to file, amend, assign, and otherwise take any actions with respect to the foregoing as the Lender may in its discretion deem necessary.

11. Borrower Funds. To the best of Co-Borrower's knowledge after making due inquiry, neither Co-Borrower nor any guarantor of the Loan nor any party related to or affiliated with Co-Borrower, nor any person or entity providing funds to Co-Borrower (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related

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activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti Money Laundering Laws; (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws (as defined herein); or (iii) has had any of its funds seized or forfeited in any action under any Anti Money Laundering Laws. For purposes of this Subsection, the term "Anti-Money Laundering Laws" shall mean laws, regulations, executive orders, and sanctions, state and federal, criminal and civil, that (1) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (3) require identification and documentation of the parties with whom a Financial Institution conducts business; or (4) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations, executive orders and sanctions shall be deemed to include the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, the USA PATRIOT Act of 2001, Pub. L. No. 107-56 (the "Patriot Act"), the Bank Secrecy Act, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the Office of Foreign Asset Control ("OFAC"), as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

12. Co-Borrower Compliance with Patriot Act. Co-Borrower is in compliance with any and all applicable provisions of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, as the same may be amended from time to time, and corresponding provisions of future laws.

13. Consent to Jurisdiction. To induce the Secured Party to accept this Agreement and to make the Loan, Co-Borrower and Trustee irrevocably agree that, subject to the Lender's sole and absolute election, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE LOAN DOCUMENTS WILL BE LITIGATED IN COURTS LOCATED IN THE COUNTY IN WHICH THE TRUST PROPERTY IS LOCATED. THE CO-BORROWER AND TRUSTEE HEREBY CONSENT AND SUBMIT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN THE COUNTY IN WHICH THE TRUST PROPERTY IS LOCATED, WAIVE PERSONAL SERVICE OF PROCESS UPON THE CO-BORROWER OR TRUSTEE, AND AGREE THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO THE CO-BORROWER AND TRUSTEE AT THE ADDRESSES LISTED IN THE NOTE.

14. Waiver of Jury Trial. LENDER, CO-BORROWER AND TRUSTEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT OR ANY OF THIS AGREEMENT, THE NOTE, THE MORTGAGE, OR ANY OF THE LOAN DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN), OR ACTIONS OF LENDER, CO-BORROWER, OR TRUSTEE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER TO ENTER INTO THIS AGREEMENT AND TO MAKE THE LOAN.

There are no mortgages, liens or other encumbrances against the Trust Property except the following:
2ND INSTALLMENT OF 2021 REAL ESTATE TAXES.

- SIGNATURE PAGE ATTACHED-

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Ronald Essex
CO-BORROWER:

BY: Ronald Essex ITS: BENEFICIARY
RONALD ESSEX

CREDITOR'S ACCEPTANCE

Secured Party hereby acknowledges receipt of the foregoing assignment 4/16/2021, and accepts the same.

COMMUNITY INVESTMENT CORPORATION

BY: JOHN CRANE

ITS: SENIOR VICE PRESIDENT

TRUSTEE'S ENDORSEMENT

CHICAGO TITLE LAND TRUST COMPANY, as Trustee under its Trust Number 8002385787, hereby acknowledges receipt and acceptance of the foregoing assignment this 23rd day of April, 2021.

CHICAGO TITLE LAND TRUST COMPANY
as Trustee, as aforesaid

BY: Natalie Foster

ITS: ASST. VICE PRESIDENT

ATTEST: Attestation not required pursuant to corporate by-laws.

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CO-BORROWER:

BY: RONALD ESSEN

ITS: BENEFICIARY

CREDITOR'S ACCEPTANCE

Said party hereby acknowledges receipt of the foregoing assignment 4/16/2021, and accepts the same.

COMMUNITY INVESTMENT CORPORATION

BY: JOHN CRANE

ITS: SENIOR VICE PRESIDENT

TRUSTEE'S ENDORSEMENT

CHICAGO TITLE LAND TRUST COMPANY, as Trustee under its Trust Number 8002AR5787, hereby acknowledges receipt and acceptance of the foregoing assignment on this _____ day of _____, 20____.

CHICAGO TITLE LAND TRUST COMPANY
as Trustee, as aforesaid

BY: _____

USE: _____

ATTEST: _____

Property of Cook County Clerk's Office

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EXHIBIT A LEGAL DESCRIPTION

7124 S. MOZART

LOT 37 IN BLOCK 2 IN MARQUETTE PARK TERRACE, A SUBDIVISION OF LOTS 1 TO 4 OF BLOCKS 1 TO 4, 13, 14 AND LOT 1, 2 AND 3 IN BLOCK 15 IN 71ST STREET ADDITION, A SUBDIVISION OF THE WEST ½ OF THE NORTH 1/2 OF THE NORTH 1/2 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

7126 S. MOZART

LOT 36 IN BLOCK 2 IN MARQUETTE PARK TERRACE, A SUBDIVISION IN THE NORTH EAST ¼ OF THE NORTH WEST ¼ OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PROPERTY COMMONLY KNOWN AS: 7124 AND 7126 S. MOZART STREET, CHICAGO, IL, 60629

PERMANENT INDEX NUMBER(S): 19-25-106-029-0000
19-25-106-030-0000