

71-04-567



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SECURITY AGREEMENT AND  
COLLATERAL ASSIGNMENT UNDER LAND TRUST  
("Agreement")

\$17.00

KNOW ALL MEN BY THESE PRESENTS that the undersigned, Joe Michael, Steven A. Michael and Mark B. Michael (collectively "Assignor"), the owners of 100% of the beneficial interest under that certain Trust Agreement dated December 19, 1984 and known as Trust No. 52113T ("Trust Agreement"), executed by First National Bank of Skokie as Trustee under the Trust Agreement (the "Trustee"), in consideration of the sum of ONE DOLLAR and other good and valuable consideration in hand paid, the receipt and sufficiency whereof is hereby acknowledged, do hereby grant a security interest in, sell, assign, transfer, set over, pledge and deliver unto USAMER BANC/CHICAGO, an Illinois banking corporation (the "Lender"), and to its successors and assigns, all the right, title and interest and the power of direction under said Trust Agreement, and in, under and to the property referred to or described in said Trust Agreement or subsequently conveyed into the trust and described in Exhibit A (the "Real Estate"), and in, under and to any and all the proceeds or avails of the Real Estate or any part thereof, including without limitation, all proceeds and avails from rentals, mortgages, sales, conveyances, or other dispositions of any kind or character of or from the Real Estate or any part thereof, including without limitation, the right, but not the obligation, to manage, direct and control the Real Estate and the acts and doings of the Trustee in respect of the Real Estate, and in and to all apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, refrigeration (whether single units or centrally controlled), ventilation and services and amenities for tenants, including (without restricting the foregoing) screens, window shades, storm doors and windows, floor coverings, awnings, stoves, refrigerators, dishwashers, garbage disposals, washing machines, dryers and other appliances, fixtures, and equipment (collectively the "Collateral"). Exhibit A is attached to and by this reference made a part of this Security Agreement.

This security interest is made and given as collateral security for payment in full of the payment of the indebtedness of First National Bank of Skokie as Trustee under Trust Agreement dated May 5, 1986 and known as Trust Number 52113T; First National Bank of Skokie as Trustee under Trust Agreement dated December 19, 1984 and known as Trust Number 51831T; First National Bank of Skokie as Trustee under Trust Agreement dated March 19, 1986 and known as Trust Number 52091T; and First National Bank of Skokie as Trustee under Trust Agreement dated September 10, 1987 and known as Trust Number 52222T (collectively "Obligor") to Lender, evidenced by any note or evidence of indebtedness executed by Obligor or any renewal, substitution or extension thereof, and any other indebtedness, obligations and liabilities of Obligor to the Lender, whether now existing or hereafter arising, due or to become due, direct, indirect or contingent, joint or several or joint and several, including, but not limited, Obligor's guaranty or guaranties, whether now existing or hereafter arising of any indebtedness owing by a person, partnership, corporation or other entity to Lender.

ASSIGNOR REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

1. The terms and provisions contained in this Agreement shall, unless the context otherwise requires, have the meanings and be construed as provided in the Uniform Commercial Code of the State of Illinois (the "Code").

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2. Assignor represents and warrants that: (a) Assignor has full power and authority to execute this Agreement, (b) except for the security interest of the Lender therein Assignor is the owner of all the beneficial interest under the Trust Agreement free from any lien, security interest, encumbrance or other right, title or interest of any other person, firm or corporation, (c) Assignor shall defend against all claims and demands of all persons at any time claiming the same or any interest therein adverse to the Lender, (d) there is no financing statement now on file in any public office covering any property of any kind which is included within this Agreement or intended so to be, and (e) as long as any amount remains unpaid on any indebtedness to Lender or any credit from Lender to Assignor or the Trustee is in use by or available to Assignor or the Trustee, Assignor will not make any further assignment of the subject beneficial interest in whole or in part and will not execute or file any financing statement describing or attempting to describe the subject beneficial interest.

3. Assignor shall: (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Real Estate which may become damaged or be destroyed; (b) keep the Real Estate in good condition and repair, without waste and free from mechanics' or other liens or claims for lien not expressly subordinated to the rights of Lender hereunder unless within thirty (30) days from the filing thereof such lien or claim for lien shall be discharged of record or indemnity satisfactory to Lender provided; (c) complete within a reasonable time any building or buildings now or at any time in process of erection upon Real Estate; (d) comply with all requirements of law or municipal ordinances with respect to the Real Estate and the use thereof; (e) make no material alterations in Real Estate except as required by law or municipal ordinance without the prior written consent of Lender; and (f) not suffer or permit, without the prior written consent of Lender, any sale, transfer or assignment of any right, title or interest of the Trustee in and to the Real Estate, or any sale, transfer, delivery, hypothecation or other disposition of any of the beneficial interest of Assignor, or any of them, in the Collateral.

4. Assignor represents and warrants that the trust referred to above is the owner of record of the Real Estate, and is free and clear of all liens and encumbrances.

5. Assignor shall furnish Lender with satisfactory evidence that the Collateral has been adequately insured by companies acceptable to Lender and that such insurance coverage will be maintained throughout the term of the loan(s) secured hereby. Assignor shall also purchase and maintain such other insurance coverage as Lender may require. All insurance required hereunder shall be issued in the form of insurance policies payable, in case of loss or damage, to Lender and, in case of protection against liability, insuring the Trustee and all beneficiaries of the trust and their agents and assigns; and providing that the policy shall not be cancelled without at least ten (10) days' notice to Lender, with the rights of Lender evidenced by the standard mortgagee clause or similar clause attached to each policy. Assignor shall deliver all policies, including additional and renewal policies, to Lender, and in case of insurance about to expire, shall deliver renewal policies not less than ten (10) days prior to the respective dates of expiration.

6. Assignor shall pay any indebtedness which may be secured by a lien or charge upon the Collateral and, upon request, exhibit satisfactory evidence of such payment to Lender. Upon default of such payment, Lender may, but need not, make any payment required of Assignor in the protection of the Collateral and purchase, discharge, compromise or settle any tax lien or other lien or claim, or redeem from any tax sale or forfeiture affecting the Collateral or contest any tax or assessment. All money advanced by Lender for any of the purposes stated in this Agreement, or for the

protection of the Collateral or of the lien of Lender therein (whether or not described in this Agreement), and all expenses paid or incurred in connection therewith, including attorneys' fees, shall be additional indebtedness secured by the security interest created by this Agreement and shall become immediately due and payable without notice and with interest thereon at the rate of 4% per annum above the highest rate of interest charged on any note, or evidence of indebtedness to which this Agreement refers on page one hereof.

7. Notwithstanding anything to the contrary appearing in the Trust Agreement, the interest hereinabove described is assigned and transferred to Lender by way of collateral security only and, accordingly, Lender by its acceptance hereof shall not be deemed to have assumed or become liable for any of the obligations or liabilities of Assignor under the Trust Agreement, whether provided for by the terms hereof, arising by operation of law or otherwise, and Assignor hereby acknowledges that Assignor remains liable thereunder to the same extent as though this Agreement had not been executed. Lender, notwithstanding that Lender may also be the Trustee under the Trust Agreement, may proceed immediately to exercise each and all the powers, rights and privileges reserved or granted to Assignor under the Trust Agreement, including, without limitation, the right to collect and receive the proceeds from rentals and from mortgages, sales, conveyances or other dispositions or realizations of any kind or character of or from the Collateral or any part thereof.

8. The occurrence of any of the following events or conditions shall, at the option of Lender, and without notice or demand on the Trustee or Assignor, constitute an event of default hereunder:

(a) Default in the payment of any indebtedness secured by this Agreement; (b) failure of Assignor to perform any covenant or agreement made by Assignor herein; (c) breach of any warranty or falsity of any representation made by Assignor to Lender herein; (d) attachment, seizure, foreclosure or forfeiture or levy upon the Collateral; (e) institution of any proceeding by or against Assignor or Assignor's business under any bankruptcy or insolvency statute or any assignment by Assignor for benefit of creditors or appointment of a receiver for Assignor or the Collateral or filing of a tax lien notice by the United States or any state; (f) institution of any proceeding by or against Trustee, Assignor or Obligor under any bankruptcy or insolvency statute or an assignment by Assignor or Obligor for the benefit of creditors or appointment of a receiver for Assignor or Obligor or filing a tax lien notice by the United States or any state; (g) Lender for any reason deems itself insecure; (h) the accrual of any lien or charge against the Collateral whether prior to or subsequent to the security interest of Lender and the failure of the assignor to discharge such lien upon demand; or (i) the default of any terms or conditions contained in any existing mortgages or trust deed which is a lien against the Real Estate owned by said trust.

9. Upon the occurrence of any default, Lender may declare all indebtedness secured hereby immediately due and payable, and Lender may:

(a) Sell the Collateral (including, but not limited to, the beneficial interest assigned as hereinbefore described), at public or private sale in accordance with the provisions of the Code. Assignor agrees that the requirements of the Code shall be fulfilled if notice is mailed to Assignor at the address shown below not less than five (5) days prior to the sale or other disposition; the right of Lender 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

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Lender is or may be now or at the time of such sale or disposition, the Trustee under the Trust Agreement described in the first paragraph hereof, nor shall such fact in any manner otherwise affect the rights of Lender to sell, dispose of or otherwise deal with the security interest granted herein; or

(b) Institute a judicial proceeding in aid of the right of Lender to exercise Assignor's rights, powers and privileges in the Collateral, to foreclose the security interest and lien conferred by this Agreement and to effect a sale of the Collateral, including, but not limited to, the beneficial interest hereinbefore described.

The reasonable expenses of Lender in assuming possession of the Collateral and in exercising Assignor's rights, powers and privileges therein, including attorney's fees, court costs, title searches and other expenses shall be additional indebtedness which Assignor shall pay upon demand.

10. All the rights herein conferred upon Lender are in addition to and not in derogation of, the rights conferred upon it by law and all such rights and remedies herein or by law conferred, may be exercised at such time or times and in such order as Lender may elect.

11. This Agreement shall be construed according to the laws of the State of Illinois. Waiver of any default by Lender shall not constitute waiver of any subsequent default. All rights of Lender shall inure to the benefit of its successors and assigns and all obligations of Assignor shall bind his or its heirs, legatees, devisees, personal representatives, administrators, executors, personal representatives, successors or assigns. This Agreement shall become effective when signed by Assignor.

12. Assignor agrees that Lender may, without notice to Assignor, extend the payments due under any indebtedness secured hereby and Lender need not proceed against the maker or guarantors of said indebtedness or proceed against any other collateral prior to the institution of any sale or court proceedings to liquidate the Collateral herein.

13. Assignor acknowledges receipt of a completed copy of this Agreement.

14. Assignor represents and warrants that this Agreement is solely a pledge of personal property, and that this document is not intended to be, nor shall it be construed as, an equitable mortgage. Notwithstanding anything herein to the contrary, in the event a court of competent jurisdiction determines that this Agreement constitutes an equitable mortgage, Assignor hereby expressly waives all rights and benefits under and by virtue of the Homestead Exemption laws of the State of Illinois. Assignor agrees that Assignor shall not and will not apply for or avail himself or itself of any appraisal, valuation, stay, extension, exemption, or redemption laws, now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Agreement should it be deemed an equitable mortgage. Assignor hereby specifically waiving to the extent permissible by law all rights and benefits under Illinois laws. Assignor also waives the Homestead Exemption granted under the provisions of 522(d)(1) of the United States Bankruptcy Code.

15. If there is more than one Assignor, the word "Assignor" shall be deemed to include all of them (or any of them), and all of

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the undertakings contained herein shall be the joint and several obligations of said Assignors and each of them.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands as of the 20th day of May, 1987.

Address for purpose of Notices:

4868 West Dempster,  
Skokie, Illinois 60077

  
\_\_\_\_\_  
Joe Michael

4868 West Dempster  
Skokie, Illinois 60077

  
\_\_\_\_\_  
Steven A. Michael

4868 West Dempster  
Skokie, Illinois 60077

  
\_\_\_\_\_  
Mark B. Michael

COOK COUNTY, ILLINOIS  
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## ACCEPTANCE

USAMERIBANC/CHICAGO hereby acknowledges receipt of the foregoing Security Agreement And Collateral Assignment Under Land Trust this 20th day of May, 1987, and accepts the same.

USAMERIBANC/CHICAGO

By: Deborah H. Resner  
Commercial Loan Officer

## TRUSTEE'S ENDORSEMENT

First National Bank of Skokie, as Trustee under Trust No. 52113T, hereby acknowledges receipt of the foregoing Security Agreement And Collateral Assignment Under Land Trust, and certifies that the Assignor as defined in said Agreement is the owner of 100% of the beneficial interest with sole power of direction in the Trust Number 52113T, and there are no other collateral assignments filed with the Trustee regarding the trust. Until said Agreement is terminated by Lender, the Trustee agrees (i) not to permit or allow Assignor to deal with the trust in a manner inconsistent with said Agreement unless such act is approved in writing by Lender and (ii) to perform duties with respect to the trust and to all property held therein only upon the joint written direction of Assignor and Lender.

FIRST NATIONAL BANK OF SKOKIE  
as Trustee as aforesaid

By: [Signature]

Its: Assistant Vice President

May 27, 1987  
Date

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## EXHIBIT A

### Legal Description

LOTS 48 AND 49 IN OLIVER SALINGER AND COMPANY'S KENILWORTH ROCKWELL ADDITION TO ROGERS PARK BEING A SUBDIVISION IN THE EAST 6 2/3 ACRES OF THE SOUTH 1/2 OF THE SOUTH WEST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 25, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly Known As: 2608-10 Touhy Avenue  
Chicago, Illinois 60645

Property Index Number: 10-25-426-035-0000 -49 G DO Wn .  
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