

UNOFFICIAL COPY

SECURITY AGREEMENT - (Mortgage) (Illinois)

88321504

JULY 1, 1988

ROBERT FARINA & WILLIAM LUTZ, 2311 N. MANNHEIM, MELROSE PARK, ILL

(hereinafter called "Debtor"), for valuable consideration, receipt whereof is hereby acknowledged, hereby grants to LEES LOCK, TIRE & TRIM SERVICE PENSION FUND, 4244 N. WESTERN, CHI., ILL.

(hereinafter called "Secured Party") a security interest in, and mortgages to Secured Party, the following described goods and any and all additions and accessions thereto and products thereof (hereinafter called the "Collateral"):

LOT 8 IN FREDERICK H. BARLETT'S FULLERTON AVENUE FARM, BEING A SUBDIVISION OF THE NORTH 1/2 OF NORTHWEST 1/4 (EXCEPT THE LAST 20 ACRES AND EAST THREE ACRES OF THE SOUTH 1/2 OF NORTH 1/2 OF NORTHWEST 1/4 OF SAID NORTHWEST 1/4) OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS. COMMONLY KNOWN AS 2311 N. MANNHEIM ROAD, MELROSE PARK, ILL, TOGETHER WITH ALL IMPROVEMENTS THEREON (LAND AND BUILDINGS).

DEPT. OF RECORDING \$12.25
(1111) 1988 0439 07/21/88 07:12:00
REC'D BY DEPT. OF RECORDING
COOK COUNTY RECORDER

P.I.N. 12-33-108-001

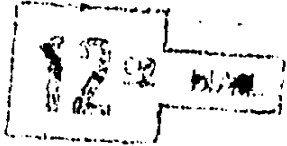
- to secure payment of the following obligations of Debtor to Secured Party (all hereinafter called the "Obligations"):
(i) Indebtedness of Debtor to Secured Party in the sum of FOURTY TWO THOUSAND Dollars (\$ 42,000.00) evidenced by Debtor's promissory note(s) of even date herewith in said amount payable to the order of Secured Party as therein specified, together with interest thereon as provided in said promissory note(s) and any renewals or extensions thereof, plus all costs of collection, legal expenses and attorneys' fees incurred by Secured Party upon the occurrence of a default under this agreement, in collecting or enforcing payment of such indebtedness, or in preserving, protecting or realizing on the Collateral herein;
(ii) Any note or notes executed and delivered to Secured Party by Debtor at any time before the entire indebtedness and all liabilities secured hereby shall be paid in full, evidencing a refinancing of an unpaid balance of any of the note(s) above described;
(iii) Any and all liabilities of Debtor to Secured Party arising under this agreement.

Debtor hereby warrants and covenants that --
(a) The Collateral is bought or used primarily for
[] Personal, family or household purposes [] Farming operations use [] Business use
and if checked here [], is being acquired with the proceeds of the note or notes, which Secured Party may disburse directly to the seller of the Collateral;
(b) If the Collateral is bought or used primarily for personal, family or household purposes, or for farming operations use by an individual, Debtor is a resident of said State at the address shown at the beginning of this agreement;
(c) If the Collateral is bought or used primarily for business use or farming operations use by organization, Debtor's business is 2311 N. MANNHEIM, MELROSE PARK, ILL 60164

and its chief executive office (or place of business if it has only one) is in (outside) said State at

or if left blank, is located at the address shown at the beginning of this agreement;

(d) The Collateral will be kept at
or if left blank, at the address of the Debtor shown at the beginning of this agreement; Debtor will promptly notify Secured Party of any change in the location of the Collateral within said State; and Debtor will not remove the collateral from said State without the prior written consent of the Secured Party;
(e) If the Collateral is or is to be affixed to real estate, or is crops growing or to be grown, or standing timber, or minerals or the like (including oil and gas), or accounts financed at the well head or mine head, a description of the real estate concerned is as follows (or on attached sheet):



and the name of a record owner is:
Title to the above-described real estate is [] Recorded in the Recorder's office. [] Registered in Torrens. Debtor will on demand of Secured Party furnish the latter with a writing signed by all owners and encumbrancers of the real estate consenting to the security interest under this agreement or disclaiming any interest in the collateral as fixtures and Debtor will promptly notify Secured Party in writing of any such persons. If collateral is fixtures, standing timber, minerals or accounts as aforesaid, and if this agreement is used as a financing statement, it shall be filed in the real estate records.

The Collateral will be affixed only to the real estate described herein and will not be affixed to any other real estate so as to become fixtures on such other real estate without the prior written consent of the Secured Party.

The additional provisions set forth on the reverse side hereof are hereby incorporated herein by reference and made a part of this agreement.

Signed in duplicate and delivered on the day and year first above written. (Secured Party's signature not required)

By (Secured Party) [Signature]

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606/11
JAY L. HATHMERTMAN
2721 N. CLARK
CHICAGO, ILL.

RETURN TO:

By _____

Secured Party

and is the valid obligation of the Debtor; that the Debtor is the owner of the Collateral, that its true name is signed to the foregoing agreement, and that all parties to this instrument have legal capacity to contract; that the agreement and all accompanying agreements and other documents submitted herewith are accurate; that the description of the property is adequate to enforce the rights created herein; that the Collateral is in satisfactory condition, and clear of any adverse interest therein; that Secured Party's security interest is a perfected security interest; that Secured Party has no knowledge of any facts which would impair the validity of the agreement or other accompanying agreements and documents or render them less valuable or valueless; and that he knows of no defense to the payment of the Obligations of the Debtor hereunder, or counterclaims, or set-offs.

The Secured Party hereby warrants that the foregoing agreement represents a valid security agreement as provided under the laws of the State of Illinois taken but for this assignment. The Secured Party hereby warrants that the foregoing agreement is correct and remains unpaid to the extent of the indebtedness shown due in the agreement and remains unpaid to the extent of

ASSIGNMENT

FOR VALUE RECEIVED, the Secured Party hereby sells, assigns and transfers to the successors and assigns, all right, title and interest in, to and under the foregoing agreement and in and to the Collateral therein described, with authority to take either in its own name or in the name of the Secured Party, but for its own benefit, all such proceedings, legal or equitable, as the Secured Party might have

General. No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns and all obligations of Debtor shall bind its heirs, executors or administrators or his or its successors or assigns. If there be more than one Debtor, their obligations hereunder shall be joint and several. This agreement shall be effective when it is signed by Debtor. Debtor agrees that if the Secured Party gives notice to the Debtor of an assignment of said rights, upon such notice the liability of the Debtor to the assignee shall be immediate and absolute. The Debtor will not set up any claim against the Secured Party as a defense, counterclaim or set-off to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Collateral, provided that Debtor shall not waive hereby any right of action to the extent that the assignee expressly made unenforceable under applicable law. If any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

Additional Rights of Parties. As its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance on the Collateral upon failure by the Debtor, after having been requested so to do, to provide insurance satisfactory to the Secured Party, and may pay for the maintenance, repair, and preservation of the Collateral. To the extent permitted by applicable law, Debtor agrees to reimburse Secured Party on demand for any payment made, or any expense incurred by Secured Party pursuant to the foregoing authorization. Until default Debtor may have possession of the Collateral and use it in any lawful manner not inconsistent with this agreement and not inconsistent with any policy of insurance thereon.

Events of Default. Debtor shall be in default under this agreement upon the occurrence of any of the following events or conditions, namely: (a) default in the payment or performance of any of the Obligations or of any covenants or obligations contained or referred to herein or in any of the Obligations; (b) any warranty, representation or statement made or furnished to Secured Party by or on behalf of Debtor proving to have been false in any material respect when made or furnished; (c) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereof or (d) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by, Debtor.

Remedies. Upon such default (regardless of whether the Code has been amended) Secured Party at its option may declare all Obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Debtor can give authority hereunder, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is subject to real estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code of Illinois); and the Secured Party shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Debtor's right of redemption in satisfaction of the Debtor's Obligations as provided in the Uniform Commercial Code of Illinois. Secured Party without removal may render the Collateral unusable and dispose of the Collateral as provided by Secured Party which is reasonably convenient to assemble the Collateral and make it available to Secured Party for possession at a place to be designated by Secured Party in a recognized market. Secured Party will give Debtor at least 5 days' notice of the time and place of any public sale or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown at the beginning of this agreement at least five days before the time of the sale or disposition. Secured Party may buy at any public sale and if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, he may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses of retaining, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorney's fees and legal expenses incurred by Secured Party, shall be applied in satisfaction of the Obligations secured hereby. The Secured Party will account to the Debtor for any surplus realized on such disposition and the Debtor shall remain liable for any deficiency. All rights and remedies under this agreement are subject to applicable bankruptcy law.

ADDITIONAL PROVISIONS

Further Warranties and Covenants of Debtor. Debtor hereby warrants and covenants that (a) Except for the security interest granted hereby Debtor is the owner of the Collateral free from any adverse lien, security interest or encumbrance; and Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. (b) No Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office. The Debtor shall immediately notify Secured Party in writing of any change in name, address, identity or corporate structure from that shown in this Agreement and shall also upon demand furnish to the Secured Party such further information and shall execute and deliver to Secured Party such financing statements and other documents in form satisfactory to Secured Party and shall do all such acts and things as Secured Party may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the Obligations, subject to no adverse liens or encumbrances; and Debtor will pay the cost of filing the same or filing or recording this agreement in all public offices wherever filing or recording is deemed by Secured Party to be necessary or desirable. A carbon, photograph or other reproduction of this agreement is sufficient as financing statement. (c) Debtor will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Collateral or any interest therein, without the prior written consent of Secured Party.

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