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**SECURITY AGREEMENT**

THIS SECURITY AGREEMENT dated as of May 6, 1992 is among 5210 WOODLAWN PARTNERS, an Illinois general partnership, with its address c/o The Baker Organization, of 6316 N. Lincoln Avenue, Chicago, Illinois 60659, ABE BAKER and WARREN BAKER, jointly and severally (together, the "Debtor") and THE FIRST NATIONAL BANK OF CHICAGO (the "Bank").

**W I T N E S S E T H:**

WHEREAS, the Debtor and American National Bank and Trust Company of Chicago, not personally but as Trustee under Trust Agreement dated December 16, 1986 and known as Trust No. 100913-04 (in such capacity, the "Trustee") have executed that certain Note dated April 29, 1992 payable to the order of the Bank in the principal amount of \$800,000.00 (as amended, restated or modified from time to time, the "Note") and that certain Loan Agreement dated as of April 29, 1992 among the Debtor, the Trustee and the Bank (as amended, restated or modified from time to time, the "Loan Agreement") (which indebtedness, including principal and all interest thereon as set forth in the Note, and all other obligations of the Mortgagor under the Loan Agreement, is hereinafter called the "Indebtedness");

WHEREAS, the Trustee has executed and delivered that certain Mortgage, Personal Property, Security Agreement and Assignment of Leases and Rentals dated April 20, 1992 in favor of the Bank (as amended, restated or modified from time to time, the "Mortgage") in order to secure the Indebtedness;

NOW, THEREFORE, in order to further secure (a) the payment of the Indebtedness, (b) the repayment of any advances or expenses of any kind incurred by Debtor pursuant to the provisions of or on account of the Note, the Loan Agreement, the Mortgage or this Security Agreement, (c) the repayment of future advances, if any, disbursed by the Bank to the Trustee in accordance with the terms of the Mortgage or in excess of the principal of the Indebtedness, all of the foregoing not to exceed the principal amount of \$1,600,000.00, and (d) the performance and observance of all of the terms, covenants, provisions and agreements of the Note, the Loan Agreement, the Mortgage, this Security Agreement and any and all other documents executed or delivered by the Mortgagor in connection therewith (collectively, the "Loan Documents"), the parties agree as follows:

1. Debtor hereby grants to Bank an express security interest in, and mortgages to the Bank, all goods, types and items of property owned by the Debtor which are described in Section 2 below (hereinafter the "Collateral") whether now or hereafter erected on or

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placed in or upon the real estate described in Exhibit A attached hereto (the "Mortgaged Property") or any part thereof, and all replacements thereof and accessions thereto and proceeds thereof to further secure the payment of the Indebtedness, the payment of all other sums due from the Debtor to the Bank, and the performance by Debtor of all the covenants and agreements set forth in the Loan Documents. Debtor warrants and covenants that, 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 warrants that Debtor has made payment in full for all such Collateral. Debtor will upon request from Bank deliver to Bank such further security agreements, chattel mortgages, financing statements and evidence of ownership of such items as Bank may request.

2. The security interest granted to the Bank hereby shall cover the following types or items of property now or hereafter owned by the Debtor and used in connection with, and located upon, the Mortgaged Property: all machinery, apparatus, equipment, goods, systems, fixtures and property of every kind and nature whatsoever now or hereafter located in or upon or affixed to the Mortgaged Property, or any part thereof, and used or usable in connection with any present or future operation of the Mortgaged Property, and now owned or hereafter acquired by Debtor, including, but without limitation of the generality of the foregoing, all rights, licenses, permits, and agreements related to leasing and management of the Mortgaged Property, heating, lighting, incinerating, refrigerating, ventilating, air-conditioning, air-cooling, lifting, fire-extinguishing, plumbing, cleaning, communications, power, equipment, systems and apparatus; and all elevators, escalators, switchboards, engines, motors, tanks, pumps, screens, storm doors, storm windows, shades, blinds, awnings, floor coverings, ranges, stoves, refrigerators, washers, dryers, cabinets, partitions, conduits, ducts and compressors; and all other items of personal property used in connection with the Mortgaged Property.

3. Debtor agrees that:

- (a) Debtor will notify Bank promptly in writing of any addition to, change in, or discontinuance of the location of the office wherein Debtor keeps its records, and of any addition to, change in or discontinuance of the location or locations where it holds or stores the Collateral.
- (b) Debtor will at all times at the request of Bank, do, make, execute and deliver any and all such additional and further acts, things, deeds, assurances and instruments as Bank may require, to more completely vest in and assure to Bank its rights hereunder and its rights in or to the Collateral and the proceeds thereof, and the real estate, if any, given as additional security, and Debtor will pay the cost of any necessary additional filings.

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4. Debtor further covenants with and warrants to Bank that:
- (a) Debtor will not sell, lease or grant any further security interest in the Collateral and will not part with possession of the same, except in the usual and ordinary course of Debtor's business;
  - (b) Debtor will not use or permit the Collateral to be used in violation of any law or ordinance; and
  - (c) Debtor will not remove or permit the Collateral to be moved from the Mortgaged Property without the prior written consent of Bank, except in the usual and ordinary course of Debtor's business.
5. A default shall occur hereunder upon the occurrence of any default under the terms of any other Loan Document. Upon the occurrence of a default hereunder:
- (a) the Bank may exercise from time to time any rights and remedies available to it under the Uniform Commercial Code and any other applicable law in addition to, and not in lieu of, any rights and remedies expressly granted in this Security Agreement or in any other agreements;
  - (b) without notice, demand or legal process of any kind, Bank may take possession of any or all of the Collateral (in addition to Collateral of which it already has possession), wherever it may be found, and for that purpose may pursue the same wherever it may be found, and may enter into any of Debtor's premises where any of the Collateral may be or is supposed to be, and search for, take possession of, remove, keep and store any of the Collateral until the same shall be sold or otherwise disposed of, and Bank shall have the right to store the same in any of Debtor's premises without cost to Bank; and
  - (c) at Bank's request, Debtor will, at Debtor's expense, assemble the Collateral and make it available to Bank at a place or places to be designated by Bank which is reasonably convenient to Bank and Debtor.

Debtor recognizes that in the event Debtor fails to perform, observe or discharge any of its obligations or liabilities under this Security Agreement or the other agreements, no remedy at law will provide adequate relief to Bank, and agrees that Bank shall be entitled to temporary and permanent injunctive relief in any such case without the necessity of proving actual damages. Any notification of intended disposition of any of the Collateral required by law shall be deemed reasonably and properly given if given at least five (5) calendar days before such disposition. Any proceeds of any disposition by Bank of any of the Collateral may be

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applied by Bank to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Bank toward the payment of such of the Indebtedness and in such order of application, as Bank may from time to time elect.

6. Debtor shall reimburse Bank for all costs, charges and fees, including legal fees incurred by Bank in preparing and filing security agreements, extension agreements, financing statements, continuation statements, termination statements and chattel searches.

7. The rights of Bank arising under the provisions and covenants contained in this Security Agreement, the Mortgage, the Note, the Loan Agreement and other documents securing the Indebtedness or any part thereof shall be separate, distinct and cumulative and none of them shall be in exclusion of the others. No act of Bank shall be construed as an election to proceed under any one provision, anything herein or otherwise to the contrary notwithstanding.

8. A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the Note, the Loan Agreement or any other documents given by Debtor to secure the Indebtedness, or any part thereof, shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver but all of the terms, covenants, conditions and other provisions of this Security Agreement and of such other documents shall survive and continue to remain in full force and effect. No waiver shall be asserted against Bank unless in writing signed by Bank.

9. No change, amendment, modification, cancellation or discharge hereof, or any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

10. All notices, demands and requests given or required to be given by either party hereto to the other party shall be in writing. All notices, demands and requests by Bank to Debtor shall be deemed to have been properly given if sent by U.S. registered or certified mail postage prepaid, addressed to Debtor at the address set forth above or to such other address as Debtor may from time to time designate by written notice to Bank given as herein required.

All notices, demands and requests by Debtor to Bank shall be deemed to have been properly given if sent by U.S. registered or certified mail, postage prepaid, addressed to Bank at the address set forth or to such other address as Bank may from time to time designate by written notice to Debtor.

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11. Each and all of the covenants and obligations of this Security Agreement shall be binding upon and inure to the benefit of the parties hereto, and except as herein otherwise specifically provided, their respective successors and assigns.

IN WITNESS WHEREOF, Debtor and Bank have caused this Security Agreement Mortgage to be executed on the day and year first above written.

Debtor: 5210 WOODLAWN PARTNERS,  
a general partnership

By: [Signature]  
its general partner.

[Signature]  
Abe Baker

[Signature]  
Warren Baker

Secured Party: THE FIRST NATIONAL BANK OF CHICAGO

By: [Signature]  
Title: [Signature]

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## EXHIBIT A

The security interest granted to the Secured Party hereby shall cover the following types or items of property now or hereafter owned by the Debtor and used in Connection with, and located upon, the real estate described in Exhibit B: the Property and all machinery, apparatus, equipment, goods, systems, fixtures and property of every kind and nature whatsoever now or hereafter located in or upon or affixed to the real estate, or any part thereof, and used or usable in connection with any present or future operation of the real estate, and now owned or hereafter acquired by the Debtor, including, but without limitation of the generality of the foregoing, all building permits, plans and specifications, the construction contract with the General Contractor, all sub-contracts and all other rights, licenses, permits, and agreements related to construction, leasing and management of the Project, heating, lighting, incinerating, refrigerating, ventilating, air-conditioning, air-cooling, lifting, fire-extinguishing, plumbing, cleaning, communications, and power equipment, systems and apparatus; and all elevators, escalators, switchboards, engines, motors, tanks, pumps, screens, storm doors, storm windows, shades, blinds, awnings, floor coverings, ranges, stoves, refrigerators, washers, dryers, cabinets, partitions, conduits, ducts and compressors; and all other items of personal property used in connection with the real estate. In addition, the Debtor hereby grants to the Secured Party an express security interest in all tenements, hereditaments, easements, appendages, licenses, privileges and appurtenances belonging or in any way appertaining to the real estate, and all interests in property, rights and franchises or any part thereof together with all the reversions and remainders, and to the extent permitted by laws, all rents, tolls, issues and profits from the real estate, and all the estate, right, title, interest and claims whatsoever, at law and in equity which the Debtor now have or may hereafter acquire with respect to the real estate and the collateral.

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5210 S. Woodlawn

EXHIBIT B

LOT 5 IN BLOCK 8 IN EGANDALE, BEING A SUBDIVISION OF THE EAST 118 ACRES OF THE SOUTH WEST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

5210 S WOODLAWN  
CHICAGO  
ILLINOIS

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**BOX 333**

Prepared by  
&  
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