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SECURITY AGREEMENT
(Redevelopment Agreement and City Note)

from

SOC T, L.L.C.,
an Illinois limited liability company

to

LASALLE NATIONAL BANK,
an Illinois banking corporation

Dated as of AUGUST 22, 1997

Permanent Tax Index Numbers:

17-21-511-009; 17-21-511-010;
17-21-511-011; 17-21-511-017;
17-21-511-018; 17-21-126-001

Address of Premises:

Roosevelt Road, between
Clinton and Canal Streets
Chicago, Illinois

This Instrument Prepared By and
to be Returned After Recording to:

Alvin L. Kruse
Elizabeth Pfeiler Strand
Seyfarth, Shaw, Fairweather &
Geraldson
Suite 4200
55 East Monroe Street
Chicago, Illinois 60603

17-21-511-011

SECURITY AGREEMENT
(Redevelopment Agreement and City Note)

THIS SECURITY AGREEMENT (Redevelopment Agreement and City Note) dated as of AUGUST 22, 1997, is entered into by SOO T, L.L.C., an Illinois limited liability company (the "Mortgagor"), c/o Hiffman Shaffer Associates, Inc., 180 North Wacker Drive, Suite 500, Chicago, Illinois 60606.

WITNESSETH:

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness hereby secured, the receipt and sufficiency of which are hereby acknowledged, in order to secure (i) the payment of a Construction Loan Mortgage Note dated November 1, 1996 (the "Note"), executed and delivered by the Mortgagor to LASALLE NATIONAL BANK, a national banking association (the "Bank"), in the sum of \$14,950,000, and payable as to principal and interest as therein provided, and any modifications, extensions and renewals thereof; (ii) further advances if such advances are made at the Bank's option; (iii) all other liabilities (primary, secondary, direct, contingent, sole, joint or several) due or to become due or which may be hereafter contracted or acquired, of the Mortgagor to the Bank; and (iv) performance by the Mortgagor of the agreements hereinafter set forth;

Granting Clauses

THE MORTGAGOR HEREBY TRANSFERS, ASSIGNS AND GRANTS A SECURITY INTEREST TO THE BANK IN THE PROPERTY DESCRIBED BELOW (the "Collateral"):

1. That certain Roosevelt/Canal Redevelopment Project Area Redevelopment Agreement (the "Redevelopment Agreement"), entered into or to be entered into by and between the City of Chicago, an Illinois municipal corporation (the "City"), and the Mortgagor, relating to the real estate described in Exhibit A attached to this Security Agreement (the "Premises"); and

2. That certain Tax Increment Redevelopment Note Series A Roosevelt/Canal Redevelopment Project Area (the "City Note"), in the principal amount of \$4,500,000, issued or to be issued by the City to the Mortgagor pursuant to the Redevelopment Agreement; and

3. All proceeds of all of the foregoing.

TO PROTECT THE SECURITY OF THIS SECURITY AGREEMENT, THE MORTGAGOR COVENANTS AND AGREES AS FOLLOWS:

Section 1. Representations and Warranties. The Mortgagor represents and warrants to the Bank as follows:

(a) The Mortgagor is a limited liability company duly organized and validly existing under the laws of the State of Illinois, has all necessary power and authority to carry on its present business, and has full right, power and authority to enter into this Security Agreement and to otherwise perform and consummate the transactions contemplated hereby.

(b) This Security Agreement has been duly authorized, executed and delivered by the Mortgagor and constitutes a valid and legally binding instrument enforceable against the Mortgagor in accordance with its terms.

(c) The execution and delivery of this Security Agreement and compliance with the provisions hereof under the circumstances contemplated herein do not and will not conflict with or constitute a breach or violation of or default under the Mortgagor's articles of organization or operating agreement, or any agreement or other instrument to which the Mortgagor is a party, or any existing law, administrative regulation, court order or consent decree to it is subject.

(d) There is no litigation or administrative proceeding pending or threatened to restrain or enjoin the transactions contemplated by this Security Agreement, or questioning the validity thereof, or in any way contesting the existence or powers of the Mortgagor, or in which an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Security Agreement.

(e) The Mortgagor is in full compliance with all of the terms and conditions of this Security Agreement and no event of default has occurred and is continuing hereunder and no event has occurred and no condition exists which with the lapse of time or the giving of notice, or both, would constitute such an event of default.

(f) Each of the Redevelopment Agreement and the City Note has been duly authorized, executed and delivered by the parties thereto and constitutes a valid and legally binding instrument enforceable against such parties in accordance with its terms. The Redevelopment Agreement and the City Note are in full force and effect and have not been modified or amended. The parties thereto are in full compliance with all of the terms and conditions of the Redevelopment Agreement and the City Note and no event of default has occurred and is continuing thereunder and no event has occurred and no condition exists which with the lapse of time or the giving of notice, or both, would constitute such an event of default.

(g) The Mortgagor is the sole owner of the Collateral, free and clear of all liens, claims, encumbrances and security interests of every sort whatsoever other than the security interests in favor of the Bank created under this Security Agreement.

Section 2. Delivery of City Note to Bank. In order to perfect the security interest granted hereunder in City Note, the Mortgagor shall deliver to the Bank the original of the City Note endorsed in blank in an endorsement rider attached to the City Note.

Section 3. Direct Payments on City Note to Bank. Upon the occurrence of an event of default under this Agreement, the Bank shall be entitled to make written demand on the City for the direct payment by the City to the Bank of all payments of principal and interest coming due under the City Note.

Section 4. Covenants Concerning Collateral. The Mortgagor covenants and agrees with the Bank as follows:

(a) The Mortgagor shall defend the Collateral against the claims and demands of all persons.

(b) The Mortgagor shall perform and observe in a timely manner all of its obligations and duties under the Redevelopment Agreement and shall not suffer or permit any event of default to exist thereunder after the expiration of any applicable grace or cure period.

(c) The Mortgagor shall not (i) agree or consent to any modification, amendment or termination of the Redevelopment Agreement or the City Note; (ii) permit any liens or security interests (other than the Bank's security interest) to attach to any of the Collateral; (iii) permit any of the Collateral to be levied upon under any legal process; (iv) dispose of any of the Collateral; or (v) permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Security Agreement.

(d) The Mortgagor shall promptly furnish to the Bank copies of any notices or other communications received from the City under or relating to the Redevelopment Agreement and the City Note.

Section 5. Further Assurances. The Mortgagor shall do, execute, acknowledge and deliver all and every further acts, security agreements, financing statements and other documents and assurances necessary or advisable, in the judgment of the Bank, for the creation, perfection and continued perfection of the

security interests intended to be created by this Security Agreement in the Collateral.

Section 6. Attorney in Fact. The Bank is hereby appointed the attorney in fact for the Mortgagor to do all acts and things which the Bank may deem necessary or advisable to perfect and continue perfected the security interest created by this Security Agreement and to protect the Collateral.

Section 7. Default. An event of default hereunder shall occur (i) upon any default by the Mortgagor in the performance or observance of the covenants contained in subparagraphs (ii) or (iii) of paragraph (c) of Section 4 above which default shall continue for a period of 60 days; or (ii) upon any default by the Mortgagor in the performance or observance of any other covenant or agreement herein contained; or (iii) if any representation or warranty of the Mortgagor herein should prove untrue or incorrect in any material respect as of the date of the issuance or making thereof. Upon any such event of default, the Bank shall have all of the rights and remedies of a secured party under the Uniform Commercial Code of Illinois or other applicable law and all rights provided herein, in the Note, or in any other document securing the Note, all of which rights and remedies shall, to the full extent permitted by law, be cumulative. Any notice of any intended action by the Bank sent to the Mortgagor at the addresses specified above at least five days prior to such action, shall constitute reasonable notice to the Mortgagor. The waiver of any default hereunder shall not be a waiver of any subsequent default.

Section 8. Successors. This Security Agreement and all representations, warranties, agreements, rights and liabilities hereunder and in and to any and all Collateral shall inure to the benefit of the Bank and its successors and assigns, and any participant in any loan hereby secured, and shall be binding upon the Mortgagor and its legal heirs, representatives, successors and assigns.

Section 9. Entire Agreement. This Security Agreement sets forth all of the covenants, promises, agreements, conditions and understandings of the parties relating to the subject matter of this Security Agreement, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth.

Section 10. Modification, Waiver and Termination. This Security Agreement and each provision hereof may be modified, amended, changed, altered, waived, terminated or discharged only by a written instrument signed by the party sought to be bound by such modification, amendment, change, alteration, waiver, termination or discharge.

Section 11. Severability. In the event any provision of this Security Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12. Execution of Counterparts. This Security Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13. Construction.

(a) The words "hereof," "herein," "hereunder," and other words of similar import refer to this Security Agreement as a whole not to the individual Sections in which such terms are used.

(b) References to Sections and other subdivisions of this Security Agreement are to the designated Sections and other subdivisions of this Security Agreement as originally executed.

(c) The headings of this Security Agreement are for convenience only and shall not define or limit the provisions hereof.

(d) Where the context so requires, words used in singular shall include the plural and vice versa, and words of one gender shall include all other genders.

(e) Wherever in this Security Agreement provision is made for the approval or consent of the Bank, or that any matter is to be to the Bank's satisfaction, or that any matter is to be as estimated or determined by the Bank, or the like, unless specifically stated to the contrary, such approval, consent, satisfaction, estimate or determination or the like shall be made, determined or given by the Bank pursuant to a reasonable application of judgment in accordance with institutional lending practice and commercial custom in connection with major real estate loans.

(f) The Mortgagor and the Bank, and their respective legal counsel, have participated in the drafting of this Security Agreement, and accordingly the general rule of construction to the effect that any ambiguities in a contract are to be resolved against the party drafting the contract shall not be employed in the construction and interpretation of this Security Agreement.

Section 14. Governing Law. This Security Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of Illinois.

Section 15. Waiver of Jury Trial. THE MORTGAGOR
HEREBY WAIVES TRIAL BY JURY IN ANY JUDICIAL PROCEEDING RELATING
TO THIS SECURITY AGREEMENT.

[SIGNATURE PAGE(S) AND EXHIBIT(S),
IF ANY, FOLLOW THIS PAGE]

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IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date first written above.

SOO T, L.L.C.

By [Signature]
John E. Shaffer, Duly Authorized Member
of the Board of Managers

By [Signature]
E. Thomas Collins, Jr., Duly Authorized
Member of the Board of Managers

By [Signature]
Richard E. Hulina, Duly Authorized Member
of the Board of Managers

By [Signature]
Dennis J. Hiffman, Duly Authorized Member
of the Board of Managers

By [Signature]
Keith Bank, Duly Authorized Member of the
Board of Managers

Accepted _____, 1997

LASALLE NATIONAL BANK

By _____
Vice President

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IN WITNESS WHEREOF, the undersigned has executed this instrument as of the date first written above.

SOO T, L.L.C.

By _____
John E. Shaffer, Duly Authorized Member
of the Board of Managers

By _____
E. Thomas Collins, Jr., Duly Authorized
Member of the Board of Managers

By _____
Richard E. Hulina, Duly Authorized Member
of the Board of Managers

By _____
Dennis J. Hiffman, Duly Authorized Member
of the Board of Managers

By _____
Keith Bank, Duly Authorized Member of the
Board of Managers

Accepted AUGUST 22, 1997

LASALLE NATIONAL BANK

By _____
Asst. Vice President

CONSENT

The undersigned CITY OF CHICAGO, an Illinois municipal corporation (the "City"), hereby consents to the foregoing Security Agreement executed by the Mortgagor, it being intended that this consent shall constitute the consent to the assignment of the Redevelopment Agreement by the Mortgagor required by Section 18.15 of the Redevelopment Agreement and the consent to the pledge of the City Note required by Section 4.07 of the Redevelopment Agreement. The City acknowledges that the Construction Loan Mortgage and Security Agreement dated as of November 1, 1996, from the Mortgagor to the Bank, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on December 13, 1996, as Document No. 96942977, constitutes an "Existing Mortgage" under Section 16 of the Redevelopment Agreement. As contemplated by paragraph (b) of Section 16 of the Redevelopment Agreement and Section 18.15 of the Redevelopment Agreement, the City agrees that if the Bank or any wholly owned subsidiary of the Bank succeeds to the interest of the Mortgagor in the Premises or any portion thereof, pursuant to exercise of remedies under the aforesaid Construction Loan Mortgage and Security Agreement, whether by foreclosure or deed in lieu of foreclosure, and in conjunction therewith succeeds to the interest of the Mortgagor under the Redevelopment Agreement, pursuant to exercise of remedies under this Security Agreement or assignment in lieu thereof, the City will attorn to and recognize the Bank or such wholly owned subsidiary as successor in interest to the Mortgagor for all purposes of the Redevelopment Agreement, so long as the Bank or such wholly owned subsidiary accepts all of the obligations and liabilities of "the Developer" (as defined in the Redevelopment Agreement) and shall certify in writing (in a form satisfactory to the City) its agreement to abide by all of the remaining executory terms of the Redevelopment Agreement, including but not limited to Section 8.19 thereof, for the Term (as defined in the Redevelopment Agreement) of the Redevelopment Agreement. However, as provided in paragraph (b) of Section 16 of the Redevelopment Agreement, notwithstanding any other provision of the Redevelopment Agreement to the contrary, it is understood and agreed that the Bank or such wholly owned subsidiary shall have no liability under the Redevelopment Agreement for any Event of Default (as defined in the Redevelopment Agreement) of the Mortgagor which occurred prior to the time the Bank or such wholly owned subsidiary succeeded to the interest of the Mortgagor under the Redevelopment Agreement, in which case the Mortgagor shall be solely responsible. The City further acknowledges that the conditions precedent to the pledge of the City Note set forth in Section 4.07 of the Redevelopment Agreement have been satisfied to its satisfaction and that the City consents to and will recognize the right of the Bank to obtain Incremental Revenues (as defined in the City Note)

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payable pursuant to the City Note if the Bank becomes entitled to same pursuant to the provisions of this Security Agreement.

Dated: AUGUST 27, 1997

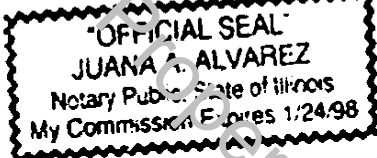
CITY OF CHICAGO

By [Signature]
Title: Commissioner, ¹⁶⁹
Department of Planning and
Development

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 22 day of AUGUST, 1997, by John E. Shaffer, E. Thomas Collins, Jr., Richard E. Hulina, Dennis J. Hiffman and Keith Bank, constituting all of members of the Board of Managers of Soc T, L.L.C., an Illinois limited liability company, on behalf of said limited liability company.



Juana Alvarez

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 22 day of AUGUST, 1997, by Christopher R. Hill, * of the City of Chicago, an Illinois municipal corporation, on behalf of the City

* Commissioner, Department
of Planning and Development

Christopher R. Hill

Notary Public

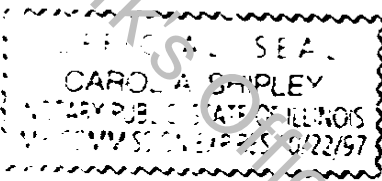


EXHIBIT A

LEGAL DESCRIPTION OF THE PREMISES

BLOCKS 1 THROUGH 4 IN CENTRAL TERMINAL RAILWAY COMPANY'S SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED JULY 22, 1914 AS DOCUMENT 5462416; ALSO THE SOUTH 7 FEET OF VACATED 15TH STREET LYING NORTH OF AND ADJOINING SAID BLOCK 5 (EXCEPT THE WEST 200 FEET OF SAID SOUTH 7 FEET) ALSO EXCEPTING THEREFROM LOT A IN BLOCK 1 OF SAID SUBDIVISION IN SECTION 21, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TOGETHER WITH ALL OF MAXWELL STREET LYING BETWEEN SAID BLOCKS 1 AND 2 AND ALSO ALL OF FOURTEENTH STREET LYING BETWEEN BLOCKS 2 AND 3 IN SAID SUBDIVISION.

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