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SECURITY AGREEMENT

THIS SECURITY AGREEMENT made and entered into on August 17, 1987, by and among LASALLE NATIONAL BANK, a national banking association, not personally but solely as Trustee ("Trustee") under a Trust Agreement dated August 14, 1987 and known as Trust No. 112586 (the "Trust"), SIGMATRON LIMITED PARTNERSHIP, an Illinois limited partnership (the "Partnership") (Trustee and the Partnership being sometimes hereinafter referred to together as "Debtors") and UNIBANCTRUST COMPANY, an Illinois banking association (the "Bank");

W I T N E S S E T H:

WHEREAS, Trustee and the Partnership have delivered to the Bank a Secured Promissory Note of even date herewith in the principal amount of Two Million Four Hundred Fifty Thousand Dollars (\$2,450,000.00) (said instrument, and any documents or instruments accepted in substitution, renewal or exchange therefor, as any of the same may from time to time hereafter be amended or modified, being herein referred to as the "Note") and the Trustee has delivered to the Bank a Mortgage and Security Agreement of even date herewith (said document, as the same may from time to time hereafter be amended or modified, being herein referred to as the "Mortgage") of even date herewith encumbering certain real property more particularly described in Schedule A attached hereto and the improvements thereon (together, the "Property") and an Assignment of Rents and Leases of even date herewith (said document, as the same may from time to time hereafter be amended or modified, being herein referred to as the "Assignment of Rents") and the Partnership has delivered to the Bank a Security Assignment of Beneficial Interest in Land Trust of even date herewith (said document, as the same may from time to time hereafter be amended or modified, being herein referred to as the "Security ABI"); and

WHEREAS, the Partnership is the sole beneficiary of the Trust; and

WHEREAS, it is a condition precedent to the Bank's agreement to make the loan to be evidenced by the Note and secured by the Mortgage that Debtors execute and deliver this Security Agreement;

NOW, THEREFORE, to induce the Bank to make such loan and in consideration of the Bank's so doing, Debtors, jointly and severally, hereby agree with the Bank as follows:

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1. Debtors hereby grant to the Bank, its successors and assigns, a continuing security interest in all machinery, equipment, mechanical systems and other personal property now or hereafter owned by Trustee and/or the Partnership and used in connection with the operation or maintenance of building systems located on the Property, including all additions, improvements, betterments, renewals, replacements and proceeds of any of the foregoing (all of the foregoing being hereinafter collectively referred to as the "Collateral") to secure the full and complete payment and performance of (a) all obligations of Trustee and/or the Partnership to the Bank, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent or now or hereafter existing, or due or to become due, including, without limitation, all obligations under the Note, the Mortgage, the Assignment of Rents and the Security ABI, and (b) the full and complete payment and performance of all obligations of Trustee and/or the Partnership hereunder or under the Mortgage, the Assignment of Rents or the Security ABI or any other document executed and delivered to the Bank as an inducement to the Bank to make the loan evidenced by the Note or securing payment of the indebtedness evidenced by the Note (hereinafter collectively called the "Obligations").

2. Debtors, jointly and severally, hereby covenant and warrant to the Bank, its successors and assigns, as follows:

(a) Upon notice given by the Bank from time to time, Debtors shall prepare and deliver to the Bank a full inventory listing, as of the date such notice is given, all items then constituting the Collateral and such other information as the Bank may request with respect to purchases or sales or other acquisitions or dispositions of the Collateral. Each such inventory shall be certified as being true and complete by the Partnership. Unless the Bank agrees otherwise in writing, all Collateral will be kept at the Property.

(b) Except for the security interest granted hereunder and under the Mortgage, Debtors are, or one of them is, and will be at all times the sole owners of the Collateral free from any lien, security interest, pledge or encumbrance, and no person other than the Bank has or will have any security interest or lien upon any of the Collateral and Debtors will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(c) Except for the financing statements to be filed pursuant to this Security Agreement or any other financing statements running for the benefit of the Bank, no financing statement or other acknowledgement of lien covering any Collateral or any proceeds thereof is on file in any public office. Each of

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the Debtors shall upon demand execute and deliver to the Bank such financing statements, assignments, and other documents in form satisfactory to the Bank, and do all such further acts and things as the Bank may at any time and from time to time reasonably request or as may be necessary or appropriate to establish and maintain a valid perfected security interest in the Collateral as security for the Obligations, free of any liens, claims or encumbrances other than those of the Bank and such other liens, claims or encumbrances as the Bank, expressly consents to in writing, and Debtors will pay the cost of filing or recording the same or filing or recording this Security Agreement in all public offices wherever filing or recording is deemed by the Bank to be necessary or desirable.

(d) Except to the extent permitted under the Mortgage, neither of the Debtors will 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 the Bank.

(e) Debtors will maintain or cause to be maintained insurance at all times with respect to the Collateral, providing for payment by the insurance company of moneys sufficient to replace same, all in companies satisfactory to the Bank, such insurance to be payable to the Bank or Debtors as their interest may appear. All such policies of insurance shall provide for a minimum of ten (10) days prior written notice of cancellation or amendment to the Bank. Debtors shall furnish the Bank with certificates or other evidence satisfactory to the Bank showing compliance with the foregoing provisions and, if required by the Bank, shall deposit the policies with the Bank.

(f) Debtors will keep the Collateral in first-class order and repair and will not waste or destroy (or suffer or permit the waste or destruction of) the Collateral or any part thereof; Debtors will not use (or suffer or permit the use of) the Collateral in violation of any statute, ordinance or policy of insurance thereon; and the Bank may examine and inspect the Collateral at any reasonable time or times, wherever located.

(g) Debtors will pay or cause to be paid promptly when due all taxes, assessments and other impositions levied upon the Collateral or for its use or operation or upon this Agreement.

(h) Debtors shall pay all costs and expenses of collection, legal expenses and reasonable attorneys' fees incurred by the Bank, its successors and assigns, to establish, perfect, secure and enforce the security interest purported to be created hereby and the costs and expenses of appearing in or defending any action or proceeding arising under, growing out of or in any

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manner connected with this Security Agreement or the obligations, duties or liabilities of Debtors, or either of them, to the Bank hereunder.

3. At its option, the Bank may discharge taxes, liens, security interests or other encumbrances at any time affecting the Collateral and may pay for the maintenance, repair and preservation of the Collateral if Debtors do not do so. Further, the Bank, at its option and upon at least three (3) days prior notice to Debtors, may place and pay for insurance on the Collateral upon failure by Debtors to provide insurance satisfactory to the Bank as provided by this Security Agreement. Without limitation of any other rights and remedies it may have, the Bank shall be entitled to immediate reimbursement from Debtors for any payment made or any expense incurred by the Bank pursuant to the foregoing authorizations, together with interest thereon at the rate provided in the Note for interest payable after maturity from the date paid or incurred, as the case may be. Until the occurrence of an Event of Default (as hereinafter defined), Debtors may have the possession of the Collateral and may use same in the operation of the Property in any lawful manner not inconsistent with this Security Agreement and not inconsistent with any policy of insurance thereon.

4. The Partnership hereby covenants and agrees to maintain its principal banking relationship with the Bank.

5. Each of the following events shall constitute an "Event of Default" hereunder:

(a) A default in the payment when due of any of the Obligations; or

(b) The occurrence of any "Event of Default" under the Note, the Mortgage, the Assignment of Rents, the Security ABI or any other document or agreement given or made as additional security for any of the Obligations (and not constituting an Event of Default under subparagraph (a) above); or

(c) The failure, neglect or refusal by Trustee or the Partnership to perform any of the covenants or obligations on its part to be kept and performed as herein set forth; or

(d) The breach of any of the representations or warranties of Trustee or the Partnership as herein set forth; or

(e) The sale, transfer or encumbrance of any of the Collateral, except in accordance with the terms of the Mortgage, or the making of any levy, seizure or attachment thereof or thereon.

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6. Without limitation of any other right or remedy available to the Bank under the Note, the Mortgage, the Assignment of Rents, the Security ABI or any other document or agreement delivered to the Bank to secure any of the Obligations or at law or in equity or otherwise, upon the occurrence of an Event of Default hereunder and at any time thereafter (such Event of Default not having been previously cured), the Bank shall have all the rights and remedies of a secured party under the Uniform Commercial Code of the State of Illinois and all other rights and remedies now or hereafter provided or permitted by law or in equity, including without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose the Bank may, as far as Debtors can give authority therefor, 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. Without limitation of the foregoing, the Bank shall be entitled to hold, maintain, preserve and prepare all of the Collateral for sale and to dispose of said Collateral, if the Bank so chooses, from the Property, provided that the Bank may require Debtors, or either of them, to assemble such Collateral and make it available to the Bank for disposition at a place to be designated by the Bank (which may be other than the Property) from which the Collateral would be sold or disposed of and provided further that for a reasonable period of time prior to the disposition of such Collateral the Bank shall have the right to use same in the operation of the Property. Debtors will execute and deliver to the Bank any and all forms, documents, certificates and registrations as may be necessary or appropriate to enable the Bank to sell and deliver good and clear title to the Collateral to the buyer at the sale as herein provided. Unless the Collateral is of the type customarily sold on a recognized market, the Bank will give Debtors at least five (5) days' notice of the time and place of any public sale of such Collateral 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 given to Debtors at least five (5) days before the time of the sale or disposition. The Bank may buy at any public sale and, if the Collateral is of a type customarily sold in a recognized market or is a type which is the subject of widely distributed standard price quotations, it may buy at private sale. Unless the Bank shall otherwise elect, any sale of the Collateral shall be solely as a unit and not in separate lots or parcels, it being expressly agreed, however, that the Bank shall have the absolute right to dispose of such Collateral in separate lots or parcels. The Bank shall further have the absolute right to elect to sell the Collateral as a unit with, and not separately from, the Property. The net proceeds realized upon any disposition of the Collateral, after deduction for the expenses of retaking, holding, preparing for sale, selling and the like and the

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reasonable attorneys' fees and legal expenses incurred by the Bank shall be applied towards satisfaction of such of the Obligations secured hereby, and in such order of application as the Bank may elect. If all of the Obligations are satisfied, the Bank will account to Debtors for any surplus realized on such disposition.

7. No waiver by the Bank of any default hereunder shall operate as a waiver of any other default or of the same default on a future occasion. Subject to the provisions of Paragraph 14 hereof, the agreements and obligations hereunder of Debtors shall bind Trustee and the Partnership jointly and severally. The remedies of the Bank hereunder are cumulative and the exercise of any one or more of the remedies provided for herein, under the Uniform Commercial Code or otherwise, shall not be construed as a waiver of any of the other remedies of the Bank so long as any part of the Obligations remains unsatisfied.

8. All rights of the Bank hereunder shall inure to the benefit of its successors and assigns; and all obligations of Debtors shall bind their respective successors and assigns. All rights of the Bank in, to and under this Security Agreement and in and to the Collateral shall pass to and may be exercised by any assignee thereof. Debtors agree that if the Bank gives notice to Debtors of an assignment of said rights, upon such notice the liability of Debtors to the assignee shall be immediate and absolute.

9. Wherever possible, each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Security 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 Security Agreement.

10. The terms and provisions contained herein shall unless the context otherwise requires, have the meanings and be construed as provided in the Uniform Commercial Code of the State of Illinois.

11. Without limitation of the foregoing, this Security Agreement shall be governed by, and construed in accordance with, the laws of the State of Illinois.

12. All notices, demands and requests given or required to be given by a party hereto to any other party shall be in writing. All such notices, demands and requests by the Bank to the Debtors

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shall be deemed to have been properly given if served in person or if sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the Debtors at:

LaSalle National Bank
Trustee under Trust No. 112586
135 South LaSalle Street
Chicago, Illinois 60690

and

SigmaTron Limited Partnership
135 South LaSalle Street
Suite 552
Chicago, Illinois 60603

with a copy to:

Henry J. Underwood, Jr.
72 West Adams Street
Suite 1500
Chicago, Illinois 60603

or to such other address as the Debtors may from time to time designate by written notice to the Bank given as herein required. All notices, demands and requests by the Debtors to the Bank shall be deemed to have been properly given if served in person or if sent by United States registered or certified mail, postage prepaid, return receipt requested, addressed to the Bank at:

UnibancTrust Company
Sears Tower
Chicago, Illinois 60606
Attention: Division Head-
Commercial Banking Division

or to such other address as the Bank may from time to time designate by written notice to the Debtors given as herein required.

Notices, demands and requests given by mail in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder two (2) days after the time such notice, demand or request shall be deposited in the mails.

13. Debtors hereby further agree for themselves and for their respective successors and assigns that (a) this Security Agreement does not constitute a waiver or partial waiver by the Bank of any of its rights under the Mortgage (or under the Assignment of Rents, the Security ABI or any other agreement or

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instrument securing payment of the indebtedness evidenced by the Note) and (b) this Security Agreement does not in any way release Trustee, as Mortgagor, from its obligation to comply with every term, provision, condition, covenant, agreement, representation, warranty and obligation in said Mortgage and that said Mortgage shall remain in full force and effect and must be complied with by said Mortgagor.

14. This Security Agreement is executed by Trustee, not personally but solely as trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee in its personal and individual capacity hereby warrants that it as Trustee possesses full power and authority to execute this instrument), and it is expressly understood and agreed by the Bank and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note shall be construed as creating any liability on said Trustee in its individual capacity personally to pay or perform the obligations, all such liability, if any, being expressly waived, but this waiver shall in no way affect the personal liability of any guarantor of the Obligations or any portion thereof or any other person or entity executing the Note or the Mortgage or this Security Agreement.

IN WITNESS WHEREOF, this Security Agreement has been executed as of the day and year first above written.

UNIBANCTRUST COMPANY, an
Illinois banking association

By:

James N. Smith
Its: Vice President

DEBTORS:

SIGMATRON LIMITED PARTNERSHIP,
an Illinois limited partnership

By: SIGMATRON, INC.,
an Illinois corporation

By: Henry M. Woodward
Its: Vice President

Being its sole general partner

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SCHEDULE A

LEGAL DESCRIPTION

Lots 180, 181, 182, 183 and the West 59.07 feet of Lot 184, as measured along the South line of said Lot 184, in Centex Industrial Park Unit No. 14, being a Subdivision in Section 26, Township 41 North, Range 11 East of the Third Principal Meridian in Cook County, Illinois.

Also,

Lot 184 (except the West 59.07 feet as measured along the South line thereof) and all of Lot 185 in Centex Industrial Park Unit No. 14 and Lot 205 in Centex Industrial Park Unit No. 102 being a Subdivision in Section 26, Township 41 North, Range 11 East of the Third Principal Meridian, in Cook County, Illinois.

P.I.N. } 08-26-403-011-0000 *Lot 185*
GEO } 08-26-403-012-0000 *Lot 180, 181, 182, 183, 184*
 } 08-26-403-013-0000 *Lot 181*
G.N.D } 08-26-403-014-0000 *Lot 205*

Address of Property:

2201 Landmeier Road
Elk Grove Village, Illinois 60007

Cook County Clerk's Office

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LASALLE NATIONAL BANK,
not personally but as Trustee
as aforesaid

ATTEST:

By:

Its:

Its:

REGISTERED SECRETARY

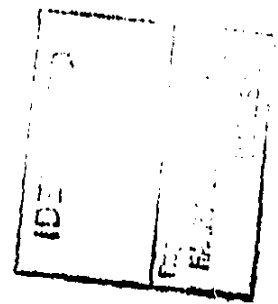
Property of Cook County Clerk's Office

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