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AND AFTER RECORDING RETURN
TO:

Shearman & Sterling
599 Lexington Avenue
New York, New York 10022
Attention: Robert W. Fagiola, Esq.

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2000-11-20 15:27:49
Cook County Recorder 83.00



00914131

This space reserved for Recorder.

Property of Cook County

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "*Assignment*"), made the 10 day of November, 2000 by 33 W. MONROE, L.L.C., a Delaware limited liability company, having an office at c/o Prime Group Realty Trust, 77 West Wacker Drive, Suite 3900, Chicago, Illinois 60601 and LASALLE BANK NATIONAL ASSOCIATION ("*TRUSTEE*") AS SUCCESSOR TRUSTEE TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee under Trust Agreement dated January 11, 1999, and known as Trust No. 124770-06 (33 W. Monroe, L.L.C. and Trustee are herein referred to collectively as "*Borrower*" or "*Assignor*"), to DGZ DEKABANK, a banking institution organized under the laws of the Federal Republic of Germany, having an address at Mainzer Landstrasse 16, 60325 Frankfurt, Federal Republic of Germany, in its capacity as Agent under the Loan Agreement described below (including its successors and assigns in such capacity, herein referred to as "*Agent*" or "*Assignee*") for itself and other Lenders from time to time under said Loan Agreement.

WITNESSETH:

WHEREAS, Assignor is the owner of certain fee and leasehold interests in that certain real property more particularly described in *Exhibit A* annexed hereto and made a part hereof and the improvements located thereon (the "*Property*");

WHEREAS, Assignor, as Borrower, and Assignee, as Lender and Agent, have entered into that certain Loan Agreement dated of even date herewith (as the same may be

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amended, modified or supplemented from time to time in accordance with the terms thereof, the "*Loan Agreement*");

WHEREAS, Assignor, as Borrower, and Assignee, as Agent, have entered into that certain Promissory Note in the aggregate stated principal amount of \$67,000,000.00 dated as of even date herewith (as the same may be amended, restated, replaced, supplemented or otherwise from time to time in accordance with the terms thereof, the "*Note*");

WHEREAS, Assignor, as Mortgagor, and Assignee, as Mortgagee, have entered into that certain Mortgage, Assignment of Leases and Rents, Security Agreement, Fixture Filing and Financing Statement dated as of even date herewith securing the Note (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time in accordance with the terms thereof, the "*Mortgage*");

WHEREAS, it is a consideration precedent to the making of the Loan by Assignee to Assignor evidenced by the Note and secured by the Mortgage that Assignor shall execute and deliver this Assignment as additional security for Assignor's obligations under the Note, the Mortgage, the Loan Agreement and the other Loan Documents (as defined in the Note) (collectively the "*Secured Obligations*");

NOW, THEREFORE, as additional security for the Secured Obligations and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Assignor, Assignor hereby agrees as follows:

SECTION 1. Assignment. (a) Assignor hereby absolutely and unconditionally grants, transfers and assigns to Assignee all the estate, right, title and interest of Assignor in all leases, subleases, lettings and licenses of, and all other contracts, bonds and agreements (excluding any management or operating contracts and agreements), whether written or oral, affecting the Property, the Leasehold or any part thereof now or hereafter entered into, assigned to, taken subject to or assumed by Assignor and all amendments, modifications, supplements, additions, extensions and renewals thereof (all of the foregoing hereinafter collectively referred to as "*Leases*"), and all right, title and interest of Assignor thereunder, including cash and securities deposited thereunder (as down payments or security deposits to the extent permitted by law), the right to receive and collect the rents, additional rents, increases in rents, security deposits, advance rents, income, proceeds, earnings, royalties, revenues, issues, profits, rights, deposits, benefits and other payments due or to become due under, or otherwise derived from or relating to, the Leases or the use or occupancy of the Property or the Leasehold (including without limitation (i) any claims based on holdover by any lessee, (ii) any claims pursuant to the Leases for damages sustained by Assignor, (iii) any fees or other amounts paid for the cancellation, surrender or early termination of a Lease, or (iv) any claims arising under any federal, state or other law as a result of or in connection with the bankruptcy or insolvency of any lessee) and the rights to collect and receive all of the foregoing and to enforce, whether at law or in equity or by any other means, all provisions thereof or thereunder and all rights of Assignor relating thereto (all of the foregoing hereinafter collectively referred to as the "*Rents*") and the right to apply the same to the payment, performance and observance of the Secured Obligations;

(b) This assignment and grant shall continue in effect until the Secured Obligations are fully paid; provided, however, that so long as no Event of Default exists and is continuing, Assignee hereby waives the right to enter the Property for the purpose of collecting the Rents, and Assignor shall have a license to collect, receive, use and retain the Rents, subject to the limitations and qualifications contained in the Loan Documents. Such license of Assignor to collect, receive, use and retain the Rents may be revoked by Assignee upon the occurrence and during the continuance of any Event of Default by giving written notice of such revocation to Assignor, but shall be deemed reinstated if such Event of Default is cured. Notwithstanding the foregoing, and without limitation, Assignee shall retain at all times all of its rights and remedies after the occurrence and during the continuation of an Event of Default in respect of the appointment of a receiver as permitted under this Assignment.

(c) The foregoing assignment of the Leases and the Rents is intended to be and is an absolute present assignment from Assignor to Assignee and not merely the passing of a security interest or an executory contract to assign and no prior assignment of such Leases and Rents has been previously made by Assignor. Such assignment and grant shall continue in effect until the Secured Obligations are fully paid. Without limiting the generality of the foregoing, this Assignment secures the payment of all amounts that constitute part of the Secured Obligations and would be owed by Assignor to Assignee under the Note and the Mortgage but for the fact that they are unenforceable or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Assignor.

SECTION 2. Rights and Remedies. In addition to the revocation of Assignor's rights pursuant to Section 1 hereof, subject to Section 1(b) hereof, upon or at any time after the occurrence and during the continuance of an Event of Default or a default beyond any applicable notice and/or grace period in the performance by Assignor of any obligation, covenant or agreement contained in this Assignment:

(a) Assignor shall promptly pay to Assignee (i) all rent prepayments and security or other deposits which have not been applied to the obligations of the lessees under the Leases prior to the occurrence of such Event of Default and (ii) all charges for services or facilities or for escalations which were paid pursuant to any of the Leases to the extent allocable and not applied to any period from and after the occurrence of such Event of Default, which amounts described in clauses (i) and (ii) paid to Assignee shall be held applied and paid by Assignee as provided in the applicable Leases; and

(b) Assignee shall have the following rights in accordance with applicable laws and subject thereto: (i) to demand that the tenants under any of the Leases pay all amounts due thereunder directly to Assignee; (ii) to enter upon and take possession of the Property, without notice to Assignor (except as expressly provided herein or in the Loan Documents), whether or not foreclosure has been instituted and without applying for a receiver, trustee or custodian; (iii) to collect, receive and enforce the lessor's right to the Rents; (iv) to enforce the provisions of the Leases, including the right to dispossess by summary or other available proceedings or actions any lessee defaulting under its Lease; (v) to let the Property on such terms and conditions as Assignee, in good faith, deems appropriate; and (vi) to apply the Rents to (A) the actual, out-of-pocket costs and expenses incurred in enforcing the Leases and collecting the Rents (including reasonable

legal fees and expenses), (B) the payment of all necessary charges and expenses in connection with the operation and maintenance of the Property (including the leasing thereof) and (C) the payment, performance and observance of the Secured Obligations.

SECTION 3. Payment of Rent. If Assignor is not required to surrender possession of any portion of the Property that is occupied by Assignor for its own use after the occurrence and during the continuance of any Event of Default or default beyond any applicable grace and/or notice period in the performance by Assignor of any obligation, covenant or agreement contained in this Assignment, Assignor shall pay monthly in advance to Assignee, on its entry into possession pursuant to the Mortgage or to any receiver appointed to collect the Rents, the fair and reasonable rental value, based on rental rates standard to the Property, for the use and occupancy of such Property as may be in the possession of, and used and occupied by, Assignor. Upon a default in any such payment (after the expiration of all applicable notice and cure periods), Assignor shall vacate and surrender such possession to Assignee or such receiver, and, in default thereof, may be evicted by summary or any other available proceedings or actions.

SECTION 4. Leases and Rents. The provisions of Section 7 of the Mortgage are hereby incorporated herein by reference as if set forth herein at length.

SECTION 5. Performance of Assignor's Obligations. Nothing contained in this Assignment shall be construed to bind Lenders (as defined in the Loan Agreement) to the performance of any of the provisions contained in any Lease or otherwise to impose or create any obligation or liability whatsoever, express or implied, on Lenders (including any liability under the covenant of quiet enjoyment contained in any Lease or under any applicable law in the event that any lessee shall have been joined as a party defendant in any action to foreclose the Mortgage or this Assignment and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Property), except that Assignee shall be accountable for any money actually received by Assignee pursuant to this Assignment or otherwise. This Assignment shall not operate to make Lenders liable for (i) any waste committed on the Property by the lessee under any Lease or any other person, (ii) any dangerous or defective condition of the Property or (iii) any negligence in the management, upkeep, repair or control of the Property resulting in loss, injury or death to any lessee or other person. Notwithstanding the foregoing, nothing contained in this Section 5 shall release Lenders from or for any liability resulting from Lenders' gross negligence or wilful misconduct.

SECTION 6. Specific Assignments. Assignor shall, as and when requested from time to time by Assignee, execute, acknowledge and deliver to Assignee, in form reasonably requested by Assignee, one or more general or specific assignments of the lessor's interest under any Lease. Assignor shall, on demand, pay to Assignee, or reimburse Assignee for the payment of, any actual, out-of-pocket costs or expenses incurred in connection with the preparation or recording of any such assignment.

SECTION 7. [Intentionally Omitted]

SECTION 8. Notice. All notices, requests, demands, statements or documents hereunder shall be in writing and given or made in accordance with the notice provisions of the Mortgage.

SECTION 9. No Waiver. The acceptance of this Assignment and the collection of Rents under any Lease shall not constitute a waiver of any of the rights or remedies of Assignee under the Mortgage. Further, nothing contained in this Assignment and no act or action taken or done, or omitted to be taken or done, by Assignee pursuant to the powers and rights granted to Assignee hereunder shall be deemed to (i) be a waiver of or to cure any default by Assignor under this Assignment or any Event of Default or (ii) be a waiver by Assignee of any of its rights and remedies against Assignor in connection with, or in respect of, the Secured Obligations.

SECTION 10. Successors and Assigns. The covenants herein contained on the part of Assignor shall be deemed to be covenants running with the land, and shall be binding upon Assignor named herein and any subsequent owner or owners of the Property and its and their respective successors and assigns. This Assignment, together with all the covenants herein contained on the part of Assignor, shall inure to the benefit of Assignee in its capacity as Agent under the Loan Agreement.

SECTION 11. Severability. The unenforceability or invalidity of any provision of this Assignment to any person or circumstances shall not render such provision unenforceable as to any other person or circumstances, or render any other provision hereof invalid or unenforceable, and all provisions hereof, in all other respects, shall remain valid and enforceable. The provisions hereof are intended to be construed and interpreted to be valid and enforceable to the full extent permitted by applicable law.

SECTION 12. Amendments in Writing; Governing Law. This Assignment may not be changed or terminated except by an agreement in writing, signed by the person against whom enforcement of the change or termination is sought. This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois applicable to contracts made and intended to be performed wholly within the State of Illinois.

SECTION 13. Tenants. The tenants under the Leases are hereby authorized to recognize the claims and demands of Assignee without investigation as to (i) the reason for any action taken by Assignee, (ii) the validity or the amount of indebtedness owing to Assignee and/or Lenders, (iii) the existence of any Event of Default or default hereunder, or (iv) the application to be made by Assignee of any amounts to be paid to Assignee. Assignee's sole signature shall be sufficient for the exercise of any right under this Assignment and Assignee's receipt of any sums received shall be a full discharge and release therefor to any lessee under any of the Leases.

SECTION 14. No Liability for Security Deposits, Etc. Assignee assumes no responsibility or liability for any security deposits or prepaid rents paid under the terms of the Leases unless, until, and only to the extent that, any such security deposits or prepaid rents are actually received by Assignee.

SECTION 15. Assignee's Right to Cure Defaults Under Leases. Assignor agrees that, if Assignor shall default in any of its obligations hereunder (including its obligation to perform or cause to be performed all of the lessor's obligations under each Lease), then Assignee shall have the right after the occurrence and during the continuance of an Event of Default, to advance all or any part of amounts owing or to perform any or all required actions in such manner and to such extent as Assignee may deem necessary to protect the security hereof. No such advance or performance shall be deemed to have cured such default by Assignor or any Event of Default with respect thereto. All actual, out-of-pocket sums advanced and expenses incurred by Assignee in connection with such advances or actions, and all other actual, out-of-pocket sums advanced or expenses incurred by Assignee hereunder or under applicable law (whether required or optional and whether indemnified hereunder or not) shall be reimbursed by Assignor to Assignee on demand, shall bear interest until paid in full at the Default Rate and shall be secured by this Assignment. Assignor hereby appoints Assignee its true and lawful attorney-in-fact upon the occurrence and during the continuance of an Event of Default, subject to Section 2(b) hereof, to (i) make the payments and effect the performance contemplated by the aforesaid provisions of this Section 15 in the name and on behalf of Assignor and (ii) demand, receive and enforce Assignor's rights with respect to the Leases. This power, being coupled with an interest, shall be irrevocable until all of the Secured Obligations shall be fully satisfied, paid and performed and Assignee shall have no further commitment.

SECTION 16. Indemnification. The provisions of Section 5.5 of the Loan Agreement are hereby incorporated herein by reference as if set forth herein at length.

SECTION 17. Limitation of Assignor's Liability. The provisions of Section 6.1 of the Loan Agreement are hereby incorporated herein by reference as if set forth herein at length.

SECTION 18. Continuing Security Interest and Termination of Assignment. This Assignment shall create a continuing security interest in the Leases and Rents and shall remain in full force and effect until the payment in full of the Secured Obligations. Notwithstanding the foregoing, upon the payment in full of the Secured Obligations, this Agreement and the security interest granted hereby shall automatically and completely terminate without further act on the part of any party hereto and all rights to the Leases and Rents shall revert to Borrower. Upon any such termination, Assignee shall, at Borrower's expense, immediately return to Borrower (i) such of the Leases and Rents as shall not have been applied, expired or otherwise modified, assigned or terminated pursuant to the terms hereof and/or any other Loan Document, and execute and deliver to Borrower or Borrower's designee such documents as Borrower shall reasonably request to evidence such termination; (ii) any prepaid rent or other prepaid amounts; and (iii) any letter of credit delivered to Assignee.

SECTION 19. Delivery of Leases. Upon Assignee's request, Assignor shall furnish Assignee with a copy of all present and future Leases and each renewal, supplement, amendment, or modification thereof, promptly after the execution thereof, certified by Assignor to be a true, correct and complete copy thereof.

SECTION 20. Further Assurances. Provided it does not increase Assignor's obligations or liabilities or decrease Assignor's rights under this Agreement or any of the other

Loan Documents, Assignor agrees that at any time and from time to time, Assignor shall, at its sole cost and expense, promptly execute and deliver all further instruments and documents and take all further action or actions that may be necessary or that Assignee may reasonably request, in order to perfect and protect the interests granted hereby or to enable Assignee to exercise and enforce its rights and remedies hereunder with respect to the Leases.

SECTION 21. Agent Actions. All actions to be taken by Agent hereunder shall be subject to Section 7 of the Loan Agreement.

SECTION 22. Miscellaneous. Capitalized terms not otherwise defined herein but defined in the Loan Agreement shall have the meanings ascribed thereto in the Loan Agreement.

SECTION 23. Counterparts. This Assignment may be executed in separate counterparts, all of which together shall be deemed to be one and the same instrument.

SECTION 24. Joinder. (a) LaSalle Bank National Association, as successor trustee to American National Bank and Trust Company of Chicago, not personally but as Trustee under that certain Trust Agreement dated January 11, 1999, and known as Trust No. 124770-06, hereby joins in this Assignment for the purpose of subjecting thereto and hereby subjects thereto, all of its right, title and interest in and to the Leases and Rents.

(b) It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against the Trustee on account of this instrument or on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released; provided, however, that it is understood and agreed that the foregoing limitations on Trustee's personal liability shall not impair the validity of the indebtedness secured by the Leases and Rents, the availability of any rights that may otherwise be available to Assignee in the instance of fraud or the right of Assignee to foreclose and/or enforce Assignee's security interests in the Leases and Rents after default by Borrower, nor shall such limitation affect the rights of Assignee or other holder of the Note to enforce its rights under the Loan Documents, including but not limited to the Guaranty.

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[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, Assignor has duly executed this Assignment as of the date first above written.

ASSIGNOR:

33 W. MONROE, L.L.C.

By: 33 W. MONROE – I, L.L.C., its administrative member

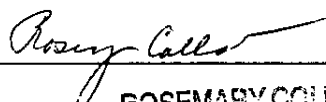
By: Prime Group Realty, L.P., its sole member

By: Prime Group Realty Trust, its managing general partner

By: 

Louis G. Conforti
Co-president

LASALLE BANK NATIONAL ASSOCIATION,
as successor Trustee to
AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO,
not personally but as Trustee under that certain
Trust Agreement dated January 11, 1999, and
known as Trust No. 124770-06

By: 

Name :
Title: ROSEMARY COLLINS
VICE PRESIDENT

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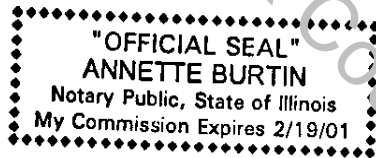
STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Louis G. Conforti, as Co-president of PRIME GROUP REALTY TRUST, the managing general partner of Prime Group Realty, L.P., the sole member of 33 W. Monroe - I, L.L.C., the administrative member of 33 W. Monroe, L.L.C. who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Co-president of said real estate investment trust, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said real estate investment trust, as managing general partner of the sole member of the administrative member of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 9th day of November, 2000.



Notary Public



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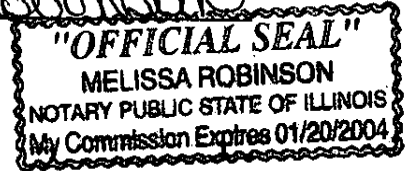
00914131

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Rosemary Collins, as VICE PRESIDENT of LASALLE BANK NATIONAL ASSOCIATION who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such VICE PRESIDENT of said national banking association, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said national banking association, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of November, 2000.

Melissa Robinson
Notary Public



Property of Cook County Clerk's Office

EXHIBIT "A"

PARCEL 1:

THE WEST 3/4 OF LOT 2 AND THAT PART OF LOT 1, LYING EAST OF THE EAST LINE OF DEARBORN STREET IN BLOCK 141 IN SCHOOL SECTION ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE EAST 1/4 OF LOT 2 IN BLOCK 141 IN SCHOOL SECTION ADDITION TO CHICAGO; ALSO ALL THAT PART OF LOT 3 IN SAID BLOCK 141 IN SCHOOL SECTION ADDITION TO CHICAGO, WHICH LIES WEST OF A LINE DRAWN NORTH AND SOUTH THROUGH SAID LOT 3, PARALLEL WITH THE WEST LINE OF STATE STREET, A DISTANCE OF 130 FEET THEREFROM IN THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number(s): 17-16-213-017-8001, 17-16-213-017-8002, 17-16-213-020-000, and 17-16-213-021-000.

Property Address: 33 West Monroe Street, Chicago, Illinois.