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Cook County Recorder of Deeds
Date: 09/22/2003 10:12 AM Pg: 1 of 6

Michael D. Hughes
HUGHES & ASSOCIATES, P.C.
19815 Governors Hwy., Suite 11
Flossmoor, IL 60422

(Above Space for Recorder's Use Only)

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES (the "Assignment") made this 1st day of August, 2003 is made and executed by **R.G.S. PROPERTIES, INC., an Illinois corporation** ("Borrower"), and in favor of **MICHAEL D. HUGHES, OR HIS SUCCESSIONS, AS TRUSTEE OF THE MAHONEY LOAN TRUST DATED JANUARY 1, 2002**, (the "Lender"). The Borrower is referred to herein as "Assignor".

WITNESSETH:

WHEREAS, Assignor has requested that the Lender lend money to Assignor, which the Lender has agreed to lend to Assignor pursuant to the Loan Documents (as hereinafter defined), all as more fully described hereinafter;

WHEREAS, Assignor is justly indebted to the Lender in the principal amount of **Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00)** pursuant to a Promissory Note (the "Note") dated of even date herewith made by Assignor in favor of the Lender, which Note is incorporated herein by reference, and whereby Assignor, promises to pay the said maximum principal amount, together with interest thereon, from the times and at the rates set forth therein, in installments or otherwise as therein provided at the office of the Lender, or at such other place as may be designated in writing by the legal holder or holders thereof the entire balance of principal and interest thereunder being or becoming due as provided in the Note; and

WHEREAS, as a condition precedent to the Lender extending any financial accommodation to Assignor whether under the Note or otherwise, the Lender has requested that Assignor execute and deliver this Assignment of Rents and Leases to the Lender, and any loan or other financial accommodation made by the Lender to Assignor under the Note or otherwise shall be in reliance upon this Assignment.

GRANTING CLAUSES

In consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, Assignor does hereby assign, transfer and set over unto the Lender (hereinafter referred to as the "Assignee"), all right, title and interest of the Assignor in, under or pursuant to any and all present or future leases or subleases, whether written or oral, or any lettings of possession of, or any agreements for the use or occupancy of, the whole or any part of the real estate and premises hereinafter

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described which the Assignor may have heretofore made or agreed to make or may hereafter make or agree to make, or which may be made or agreed to by the Assignee under the powers hereinafter granted, including all amendments and supplements to and renewals thereof at any time made and including, but not limited to the leases, relating to that certain real estate situated in the County of Cook, State of Illinois, described in Exhibit A attached hereto and made a part hereof and the improvements now or hereafter erected thereon (the "Premises"), including, without limiting the generality of the foregoing, all right, title and interest of Assignor in and to all the rents (whether fixed or contingent), earnings, renewal rents and all other sums due or which may hereafter become due under or by virtue of the Leases and all rights under or against guarantors of the obligations of lessees and obligors under the Leases.

This Assignment is made and given as collateral security for, and shall secure (i) the payment in full of all principal of and interest on the Note, (ii) the performance of all obligations, covenants, promises and agreements contained herein, or in the Note, or in that certain Mortgage and Assignment of Rents and Leases bearing even date herewith from the Assignor to the Assignee (the "Mortgage") conveying and mortgaging the Premises as security for the Note and any and all other indebtedness intended to be secured thereby, (iii) the performance of all obligations, covenants, promises and agreements of the Assignor contained in any loan or other agreements setting forth terms and conditions applicable to the loan evidenced by the Note or providing collateral security therefor, and (iv) the payment of all expenses and charges legal or otherwise, paid or incurred by the Assignee in realizing upon or protecting the indebtedness referred to in the foregoing clauses (i), (ii) and (iii) or any security therefor, including this Assignment (the Note and the other indebtedness, obligations and liabilities referred to in clauses (i), (ii), (iii) and (iv) above being hereinafter collectively referred to as the "indebtedness hereby secured").

The Assignor does hereby irrevocably constitute and appoint the Assignee the true and lawful attorney of the Assignor with full power of substitution for Assignor and in Assignor's name, place and stead to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all sums due or to become due under any Lease, with full power to settle, adjust or compromise any claim thereunder as fully as the Assignor could do, and to endorse the name of the Assignor on all commercial paper given in payment or in part payment thereof, and in the Assignee's discretion to file any claim or take any other action or proceeding, either in the Assignee's name or in the name of the Assignor or otherwise, which the Assignee may deem necessary or appropriate to protect and preserve the right, title and interest of the Assignee in and to such sums and the security intended to be afforded hereby.

The Assignor warrants to the Assignee that the Assignor has good right to make this Assignment and that the Assignor has not heretofore alienated, assigned, pledged or otherwise disposed of any of the rights, rents and other sums due or which may hereafter become due and which are intended to be assigned hereunder.

This Assignment includes and establishes a present, absolute and primary transfer and assignment of all rents, earnings, income, issues and profits of the Premises, but so long as no event of default shall exist under the Note or the Mortgage and no event shall exist which by lapse of time or service of notice, or both, has or would become an event of default thereunder, the Assignor shall have the right and license to collect, use and enjoy all rents and other sums due or to become due under any by virtue of any Lease as they respectively become due, but not more than thirty (30) days in advance.

The Assignor hereby irrevocably consents to and authorizes and directs that the tenant or other obligor under

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any Lease upon demand and notice from the Assignee of the Assignee's right to receive rents and other sums hereunder, shall pay such rents and other sums to the Assignee without any obligation on the part of such tenant or other obligor to determine the actual existence of any default or event claimed by the Assignee as the basis for the Assignee's right to receive such rents or other sums and notwithstanding any notice from or claim of the Assignor to the contrary. The Assignor hereby waives any right or claim against any tenant or other obligor for any such rents and other sums paid by tenant or other obligor to the Assignee.

Without limiting any legal rights of the Assignee as the absolute assignee of the rents, issues and profits of the Premises and in furtherance thereof, Assignor agrees that in the event of default under said Mortgage, whether before or after the Note is declared due in accordance with its terms or under the terms of said Mortgage and whether before or after satisfaction of any requirement of the lapse of time or the giving of notice or both on which acceleration after default may be conditioned, the Assignee may, at its option, (i) take actual possession of the Premises hereinabove described, or of any part hereof, personally or by agent or attorney, as for condition broken, and with or without force and with or without process of law, enter upon, take and maintain possession of all or any part of said Premises, together with all documents, books, records, papers and accounts relating thereto, and exclude the Assignor, its agents or servants, therefrom and hold, operate, manage and control the Premises, and at the expense of the Assignor, from time to time, cause to be made all necessary or proper repairs, renewals, replacements, useful alterations, additions, betterments and improvements to the Premises as may seem judicious, and pay taxes, assessments and prior or proper charges on the Premises, or any part thereof, and insure and reinsure the same, and lease the Premises in such parcels and for such times and on such terms as Assignee may deem fit, including leases for terms expiring beyond the maturity of the indebtedness secured by said Mortgage, and cancel any lease or sublease for any cause or on any ground which would entitle the Assignor to cancel the same and in every such case have the right to manage and operate the said Premises and to carry on the business thereof as the Assignee shall deem proper or (ii) with or without taking possession of the Premises, Assignee may proceed to enforce the Leases and collect all sums due or to become due thereunder any by so doing Assignee shall not be deemed a mortgagee in possession nor to have assumed or become responsible or liable for any obligations of Assignor arising thereunder or in respect thereof.

Any sums received by Assignee under or by virtue of this Assignment shall be applied to the payment of or on account of the following in such order and manner as Assignee may elect:

- (a) to the payment of all proper charges and expenses, including the just and reasonable compensation for the services of Assignee, its attorneys, agents, clerks, servants and others employed in connection with the operation, management and control of the Premises and the conduct of the business thereof and, if the Assignee shall elect, to the establishment of a reserve which shall be sufficient in Assignee's judgment to indemnify it against any liability, loss or damage on account of any matter or thing done in good faith and in pursuance of the rights and powers contained herein;
- (b) to the payment of any sum secured by a lien or encumbrance upon the Premises;
- (c) to the cost of completing any improvements being constructed on or about the Premises; and

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(d) to the reduction of the indebtedness hereby secured, whether or not the same may then be due or be otherwise adequately secured.

The manner of application of such sums and the items which shall be credited or paid out of same shall be within the sole discretion of Assignee and nothing contained herein shall obligate Assignee to sue any such sums for a purpose other than reducing the indebtedness hereby secured unless it shall elect to do so. Assignee shall be subrogated to any lien discharged out of the rents, income and profits of the Premises.

Assignor hereby further covenants that the Assignor will, upon request of the Assignee, execute and deliver such further instruments and do and perform such other acts and things as the Assignee may reasonably deem necessary or appropriate to more effectively vest in and secure to the Assignee the rights and rents which are intended to be assigned to the Assignee hereunder. Assignor irrevocably waives any right it now or hereafter may have to offset any claim or liability owing from it to any obligor on a Lease against sums due or to become due from such obligor under a Lease.

Assignor covenants and agrees to observe and perform all of the obligations imposed on it under the Lease and not to do or permit to be done anything to impair the security thereof, not to further assign or encumber its rights under the Leases or its rights to the rents or other sums due or to become due thereunder and not suffer or permit any of Leases to be subordinated to any other liens or encumbrances whatsoever, any such subordination to be null and void unless done with the written consent of Assignee. Assignor further covenants and agrees that it will, at the request of Assignee, submit the executed originals of all Leases to Assignee.

The acceptance by the Assignee of this Assignment, with all of the rights, powers, privileges and authority so created, shall not, prior to entry upon and taking of actual physical possession of the Premises by the Assignee, be deemed or construed to constitute the Assignee a mortgagee in possession nor impose any obligation whatsoever upon the Assignee, it being understood and agreed that the Assignee does not hereby undertake to perform or discharge any obligation or liability of the landlord under any Leases or under or by reason of this Assignment. Assignee shall have no liability to Assignor or anyone for any action taken or omitted to be taken by it hereunder, except for its willful misconduct. Should the Assignee incur any liability, loss or damage under or by reason of this Assignment or for any action taken by the Assignee hereunder, or in defense against any claim or demand whatsoever which may be asserted against the Assignee arising out of any Lease, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the rate applicable to the Note at the time of occurrence (or if the Note has been paid in full at the time of occurrence, then at the rate applicable to the Note at the time of such payment in full), shall be secured by this Assignment and by the Mortgage, and the Assignor shall reimburse the Assignee therefore immediately upon demand, Assignor's obligation to so pay shall survive payment of the indebtedness hereby secured and the release of this Assignment.

The rights and remedies of the Assignee hereunder are cumulative and are not secondary to or in lieu of, but are in addition to any rights or remedies which the Assignee shall have under the said Note, Mortgage or any other instrument or document or under applicable law and the exercise by Assignee of any rights and remedies herein contained shall not be deemed a waiver of any other rights or remedies of Assignee, whether arising under the Mortgage or otherwise, each and all of which may be exercised whenever Assignee deems it in its interest to do so. The rights and remedies of the Assignee may be exercised from time to time and as often as such exercise is deemed

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expedient and the failure of the Assignee to enforce any of the terms, provisions and conditions of this Assignment for any period of time, at any time or times, shall not be construed or deemed to be a waiver of any rights under the terms hereof.

The right of the Assignee to collect and receive the rents assigned hereunder or to exercise any of the rights or powers herein granted to the Assignee shall, to the extent not prohibited by law, extend also to the period from and after the filing of any suit to foreclose the lien of the Mortgage including any period allowed by law for the redemption of the Premises after any foreclosure sale.

This Assignment shall be assignable by the Assignee and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective executors, administrators, legal representatives, successors and assigns of each of the parties hereto. All provisions hereof are severable and if any provisions hereof shall be invalid or unenforceable, the validity and enforceability of the remaining provisions hereof shall in no way be affected thereby. If more than one person signs this instrument as Assignor, the term "Assignor" as used herein shall mean all such persons, jointly and severally.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment as of the date first above written.

Assignor:

R.G.S. PROPERTIES, INC., an Illinois Corporation

By: *R. Gregory Schwartz*
R. Gregory Schwartz

Its: President

Assignee:

**MAHONEY LOAN TRUST
DATED JANUARY 1, 2002**

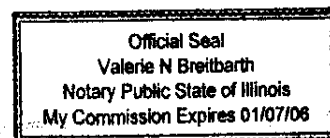
By: *Michael D. Hughes*
Michael D. Hughes

Its: Trustee

State of Illinois, County of Cook ss. I, the undersigned, a Notary Public in and for said County, in the State aforesaid, **DO HEREBY CERTIFY** that R. Gregory Schwartz, President, R.G.S. Properties, Inc., an Illinois corporation personally known to me to be the same person whose names is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 1st day of August 2003.

Commission expires 01/07, 2006. *Valerie N. Breitbarth*
Notary Public



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EXHIBIT A

LEGAL DESCRIPTION

LOTS 43 AND 44(EXCEPT THE WEST 5 FEET THEREOF) AND THE WEST 5 FEET OF LOT 42 IN BLOCK 7 IN THORN GROVE, A SUBDIVISION OF PART OF THE SOUTHWEST ¼ OF THE SOUTHEAST ¼ OF SECTION 20, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate Index Number: 32-20-434-005 & 32-20-434-045
Address(es) of Real Estate: 96 W. Hickory, Chicago Heights, IL, 60453

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