



Doc#: 0623532012 Fee: \$36.50  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 08/23/2006 10:06 AM Pg: 1 of 7

This instrument was prepared by and after recording should be returned to John W. Morse, Esq. BARNES & THORNBURG LLP One North Wacker Drive, Suite 4400 Chicago, IL 60606

Lawyers Unit #062353 Case# 06-12438 m m

3003

COLLATERAL ASSIGNMENT OF DEVELOPER'S RIGHTS UNDER REDEVELOPMENT AGREEMENT

This Collateral Assignment of Developer's Rights Under Redevelopment Agreement (this "Assignment") is dated as of August 22, 2006, and is made by Karry L. Young Development, LLC ("Grantor"), in favor of National City Bank ("Lender"), as Grantee, having offices at One North Franklin, Suite 2150, Chicago, Illinois 60606.

RECITALS:

- A. Lender has agreed to make a loan and other financial accommodations (the "Loan") to Grantor pursuant to the terms of that certain Construction Loan Agreement dated as of the date hereof (the "Loan Agreement").
- B. Grantor, as successor by assignment to Karry L. Young Construction, Inc., is a party to the Redevelopment Agreement (the "Redevelopment Agreement"), notarized as of June 27, 2005, with the City of Chicago.
- C. The execution and delivery of this Assignment is a condition precedent to the performance of Lender of its obligations under the Loan Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals, each of which is made a part hereof, the parties agree as follows:

1. Definitions. For purposes of this Assignment, the definitions set forth in the Recitals above are incorporated herein. All other capitalized terms used herein that are defined in the Loan Agreement and that are not otherwise defined herein shall have the meaning ascribed to such terms in the Loan Agreement.

2. Grant of Security Interest. To secure timely payment and performance in full of all the obligations, covenants, conditions and agreements of Grantor contained herein and in the other Loan Documents, Grantor hereby grants, sells, hypothecates, assigns, transfers and sets over unto Lender all of its right, title and interest in, to and under the following described assets, whether now existing or hereafter acquired (the "Collateral"):

- (a) all the right, title and interest of Grantor in, to and under the Redevelopment Agreement, including without limitation all right, title and interest to: (i) those amounts that have been deposited, for Grantor's benefit, to pay certain soft costs and other development costs;

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(ii) the Development Subsidy (as defined in the Redevelopment Agreement); (iii) the Home Purchase Price Subsidy (as defined in the Redevelopment Agreement); (iv) the EZ-Home Purchase Price Subsidy (as defined in the Redevelopment Agreement);

(b) all rights of Grantor to purchase Lots at the purchase prices set forth in the Redevelopment Agreement; and

(c) all rights of Grantor to the waiver of certain fees and deposits, as more particularly described in the Redevelopment Agreement.

3. Representations of Grantor. Grantor hereby represents and warrants as follows:

(a) except as security for obligations that have been fully paid and satisfied, Grantor has not previously assigned, sold, pledged, transferred, mortgaged, hypothecated or otherwise encumbered the Collateral or any part thereof, or its right, title and interest therein;

(b) Grantor has not performed any act and no event has occurred which might prevent Grantor from performing its undertakings hereunder or which might prevent Lender from operating under or enforcing any of the terms and conditions hereof or which would limit Lender in such operation or enforcement; and

(c) Grantor is not in material default under the Redevelopment Agreement and, except as disclosed in writing to Lender, to the best knowledge of Grantor, the City of Chicago is not in material default under the Redevelopment Agreement.

4. Affirmative Covenants of Grantor. Grantor hereby covenants and agrees to faithfully abide by, perform and discharge each and every obligation, covenant, condition and agreement of the Redevelopment Agreement to be performed by Grantor and to enforce the performance of the same by the City of Chicago of each and every obligation, covenant, condition and agreement to be performed by the City of Chicago; and to promptly give written notice to Lender of any claim of default under the Redevelopment Agreement given or received by Grantor, together with a complete copy or statement of any information submitted or referenced in support of such claim.

5. Negative Covenants of Grantor. Grantor hereby covenants and agrees not to:

(a) assign, sell, pledge, transfer, mortgage, hypothecate or otherwise encumber its interest in the Collateral or any part thereof; and

(b) amend, modify, cancel, abridge or terminate the Redevelopment Agreement without the prior written consent of Lender.

6. Events of Default and Remedies. The following shall be Events of Default under this Assignment:

(a) Failure by Grantor to promptly perform or cause to be performed any non-monetary obligation or observe any non-monetary condition, covenant, term, agreement or provision required to be performed or observed by Grantor or any other obligor under this Assignment; provided, however, that if such failure by its nature can be cured, then so long as the continued operation and safety of the Project, and the priority, validity and enforceability of the lien created by the Mortgage or any of the other Loan Documents and the value of the Project are

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not imminently impaired, threatened or jeopardized, then Grantor shall have a period (the "Cure Period") of thirty (30) days after written notice from Grantee of any such failure of performance or observance to cure or cause the cure of the same, and an Event of Default shall not be deemed to exist during the Cure Period, provided that Grantor commences to cure such failure during the Cure Period and is diligently and in good faith attempting to effect such cure. The foregoing Cure Period is intended only to apply in circumstances not referred to in any of the other paragraphs of this Section 6; Grantor's right to a grace or cure period, if any, with respect to such other circumstances are to be governed by the provisions of such other paragraphs;

(b) The existence of any material inaccuracy or untruth in any representation, covenant or warranty contained in this Assignment by or on behalf of Grantor; and

(c) An "Event of Default" (as defined in the Loan Agreement) occurs.

Upon the occurrence of any Event of Default hereunder, Lender shall have the right (but not the obligation), without notice to or demand on Grantor: (1) to exercise any and all rights and remedies provided under the Loan Documents or hereunder as well as such remedies as may be available at law or in equity and (2) to correct any such Event of Default in such manner and to such extent as Lender may deem necessary to protect the security hereof, including specifically, without limitation, the right (but not the obligation) to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Lender, and also the right (but not the obligation) to perform and discharge each and every obligation, covenant, condition, right and agreement of Grantor under the Redevelopment Agreement, and, in exercising any such powers, to pay necessary costs and expenses, employ counsel and incur and pay attorneys' fees and expenses. Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Redevelopment Agreement by reason of this Assignment.

At any time an Event of Default exists, Lender may, at its option, without regard to the adequacy of security for the Indebtedness hereby secured, either in person or by agent, or by a receiver to be appointed by a court at any time hereafter, (i) enforce for its own benefit or exercise any or all of Grantor's rights under the Redevelopment Agreement, and (ii) demand, collect, receive, receipt for, sue for, settle, compromise and give acquittances for any and all amounts that may be or become due and payable to Grantor under the Redevelopment Agreement and/or on account of the Collateral or that constitute a part of the Collateral, and take any action which Lender deems necessary or appropriate to do any of the foregoing. Lender may apply any amounts received by it pursuant to this paragraph in such order and manner as it may elect. The exercise of any rights under this Assignment shall not be deemed to cure or waive any default under any of the Loan Documents, or waive, modify or affect any notice of default under any of the Loan Documents, or invalidate any act done pursuant to such notice.

That the City of Chicago, upon written notice from Lender of the occurrence of an Event of Default, shall be and is hereby authorized by Grantor to perform its obligations under the Redevelopment Agreement for the benefit of Lender in accordance with the terms and conditions thereof, and any party at any time holding amounts due Grantor and constituting a part of the Collateral is hereby authorized by Grantor to pay such amounts directly to Lender for application against the amounts due under the Loan Documents, in each case without any obligation to determine whether or not such an Event of Default has in fact occurred.

That in the exercise of the powers herein granted to Lender, no liability shall be asserted or enforced against Lender (except for liability arising out of the gross negligence or willful misconduct of Lender), all such liability being hereby expressly waived and released by Grantor. Grantor hereby agrees to indemnify and hold Lender and its officers, directors, employees and agents free and harmless from

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and against any and all liability, expense, cost, loss or damage that Lender may incur by reason of any act or omission of Grantor under the Redevelopment Agreement or with respect to the Collateral or under or by reason of this Assignment, unless arising due to the gross negligence or willful misconduct of Lender or its officers, directors, employees or agents, and of and from any and all claims and demands whatsoever that may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in Redevelopment Agreement. Should Lender incur any liability, expense, cost, loss or damage (1) under the Redevelopment Agreement or with respect to the Collateral for which it is to be indemnified by Grantor as aforesaid, or (2) by reason of the exercise of Lender's rights hereunder, the amount thereof, including costs, expenses and attorneys' fees and expenses, shall be secured hereby and by all of the other Loan Documents (whether or not such amount, when aggregated with other sums secured by the Loan Documents, exceeds the aggregate face amount of the Note) and shall (a) be due and payable immediately upon demand by Lender, and (b) bear interest at the Default Rate.

7. Notices. All notices, demands, requests and other communications that are required or permitted to be given or served hereunder shall be in writing and shall be deemed sufficiently given when delivered or mailed in the manner set forth in the Loan Agreement.

8. Incorporation by Reference. Any provision in the Loan Agreement and/or the Redevelopment Agreement that pertains to this Assignment shall be deemed to be incorporated herein as if such provision were fully set forth in this Assignment. In the event of any conflict between the terms of this Assignment and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail. A provision in this Assignment shall not be deemed to be inconsistent with the Loan Agreement by reason of fact that no provision in the Loan Agreement covers such provision in this Assignment.

9. Intent of Assignment. This Assignment is made for collateral purposes only and this Assignment and the rights of Lender and duties and obligations of Grantor under this Assignment shall terminate when all obligations are paid in full and all covenants, conditions and agreements of Grantor contained in the Loan Documents are performed and discharged.

10. Credit Agreements Act. Grantor expressly agrees that for purposes of this Assignment: (i) this Assignment shall be a "credit agreement" under the Illinois Credit Agreements Act, 815 ILCS 160/1 *et seq.* (the "Act"); (ii) the Act applies to this transaction including, but not limited to, the execution of this Assignment; and (iii) any action on or in any way related to this Assignment shall be governed by the Act.

11. Further Assurances. Grantor shall, upon Lender's request, execute, deliver, record and furnish such instruments and documents, and perform such other acts as Lender in its reasonable discretion may deem necessary or desirable to more fully perfect and maintain as valid liens upon the Collateral, the liens granted to Lender under this Assignment, and to more fully effectuate the transaction contemplated by this Assignment. All reasonable costs and expenses incurred in connection with the foregoing (including reasonable attorneys' fees) shall be paid by Grantor.

12. Severability. If any provision of this Assignment or the application thereof to any Person or circumstance is held invalid or unenforceable, the remainder of this Assignment and the application of such provision to other Persons or circumstances will not be affected thereby and the provisions of this Assignment shall be severable in any such instance.

13. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.



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## EXHIBIT A

### *Description of Premises*

Parcel 1:

LOT 8 IN LEE BROTHERS 63<sup>RD</sup> STREET ADDITION TO ENGELWOOD, BEING A RESUBDIVISION OF BLOCK 2 IN JOHN TEAR'S SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 (THE WEST 9 1/3 ACRES OF THE SOUTH 19 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER) EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

6218 S. Ada  
20-17-321-024-0000

Parcel 2:

LOT 9 IN LEE BROTHERS 63<sup>RD</sup> STREET ADDITION TO ENGELWOOD, BEING A RESUBDIVISION OF BLOCK 2 IN JOHN TEAR'S SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 (THE WEST 9 1/3 ACRES OF THE SOUTH 19 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER) EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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6218 S. Ada  
20-17-329-025-0000

Parcel~~3~~3:

LOT 10 IN LEE BROTHERS 63<sup>RD</sup> STREET ADDITION TO ENGELWOOD, BEING A RESUBDIVISION OF BLOCK 2 IN JOHN TEAR'S SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 (THE WEST 9 1/3 ACRES OF THE SOUTH 19 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER) EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

6220 S. Ada  
20-17-329-026-0000

Parcel~~4~~4:

LOT 15 IN LEE BROTHERS 63<sup>RD</sup> STREET ADDITION TO ENGELWOOD, BEING A RESUBDIVISION OF BLOCK 2 IN JOHN TEAR'S SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 (THE WEST 9 1/3 ACRES OF THE SOUTH 19 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER) EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

6234 S. Ada  
20-17-329-031-0000

Parcel~~5~~5:

LOT 33 IN LEE BROTHERS 63<sup>RD</sup> STREET ADDITION TO ENGELWOOD, BEING A RESUBDIVISION OF BLOCK 2 IN JOHN TEAR'S SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 (THE WEST 9 1/3 ACRES OF THE SOUTH 19 ACRES OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER), EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

6229 S. Loomis  
20-17-329-011-0000

Parcel~~6~~6:

LOT 15 IN SHONT'S SUBDIVISION OF THE EAST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

6236 S. Laflin  
20-17-326-032-0000