

UNOFFICIAL COPY

THIS DOCUMENT PREPARED BY
AND UPON RECORDING IS TO
BE RETURNED TO:

TODD A. BICKEL
WILDMAN, HARROLD, ALLEN
& DIXON LLP
225 WEST WACKER DRIVE
CHICAGO, ILLINOIS 60606

FIRST AMERICAN TITLE
ORDER # 1693002



Doc#: 0729705063 Fee: \$42.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 10/24/2007 11:04 AM Pg: 1 of 10

COLLATERAL ASSIGNMENT OF RENTS AND LEASES

THIS COLLATERAL ASSIGNMENT is made as of this 31st day of July, 2007, by James Equities Land Fund I, LLC, an Illinois limited liability company whose address is 65 East Wacker Place, Suite 2300, Chicago, Illinois 60601 (hereinafter referred to as "Assignor"), in favor of CITIZENS NATIONAL BANK, a national banking association whose address is 127 South Side Square, Macomb, Illinois 61455 (hereinafter referred to as the "Assignee").

1.1 Assignor, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby bargain, sell, transfer, assign, convey, set over and deliver unto Assignee all right, title and interest of Assignor in, to and under all (i) leases, subleases, tenancies, whether written or oral, whether now existing or hereafter entered into by any lessor affecting the property located in Chicago, Illinois, and legally described in Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Mortgaged Premises"), and all guaranties, amendments, modifications, extensions and renewals of said leases and any of them, all of which are hereinafter called the "Leases", (ii) any and all rents, security deposits or other deposits, income and profits which may now or hereafter be or become due or owing under the Leases, or on account of the use or occupancy of all or part of the Mortgaged Premises, (iii) all proceeds payable under any policy of insurance covering loss of rents resulting from untenability due to destruction or damage to all or part of the Mortgaged Premises, and (iv) all escrow accounts or security deposit accounts, together with any and all rights and claims of any kind that Assignor may have against any tenant under the Leases or any subtenants or occupants of the Mortgaged Premises.

2.1 This Assignment is made for the purpose of securing:

2.1(a) The payment of the indebtedness (including any amendments, modifications, extensions or renewals thereof) evidenced by a certain Note (hereinafter referred to as the "Note") made by Assignor payable to the order of Assignee of even date herewith in the principal sum of THREE MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$3,500,000.00) and issued pursuant to that certain Loan

10K9

UNOFFICIAL COPY

Agreement ("Loan Agreement") dated as of the date hereof by and between Assignee and Assignor and secured by a certain Mortgage and Security Agreement (hereinafter referred to as the "Mortgage") of even date herewith executed by Assignor in favor of Assignee, encumbering the Mortgaged Premises and the other Loan Documents (as defined in the Loan Agreement), together with all obligations and indebtedness due Assignee under the Note, the Loan Agreement, the Mortgage and the Loan Documents executed and delivered in connection with the Note.

2.1(b) The payment of all other sums with interest thereon at the applicable interest rate stated therein, becoming due and payable to Assignee under the provisions of the Mortgage, Loan Agreement and the Loan Documents; and

2.1(c) The performance and discharge of each and every term covenant and condition of Assignor contained in the Note, Mortgage, Loan Agreement and the Loan Documents.

3.1 Assignor represents, covenants and agrees with Assignee as follows:

3.1(a) The sole ownership of the entire lessor's interest in the Leases is vested in Assignor and that Assignor has not, and shall not perform any acts or execute any other instruments which might prevent Assignee from fully exercising its rights under any of the terms, covenants and conditions of this Assignment.

3.1(b) The Leases in existence as of the date of this Assignment are valid and enforceable in accordance with their terms and have not been altered, modified, amended, terminated, canceled, renewed or surrendered nor have any of the terms and conditions thereof been waived in any manner whatsoever except as approved in writing by Assignee.

3.1(c) There are no existing leases of the Mortgaged Premises except those listed on the Schedule of Leases delivered by Assignor to Assignee.

3.1(d) None of the Leases shall be altered, modified, amended, terminated, canceled or surrendered nor any term or condition thereof be waived without the prior written approval of Assignee.

3.1(e) There are no defaults by either landlord or tenant now existing under any of the Leases and there exists no state of facts which, with the giving of notice or lapse of time or both, would constitute a default by either landlord or tenant under any of the Leases.

3.1(f) Assignor shall give prompt notice to Assignee of any notice given or received by Assignor claiming that a default has occurred under any of the Leases, together with a complete copy of any such notice.

3.1(g) Each of the Leases shall remain in full force and effect irrespective of any merger of the interest of lessor and any lessee under any of the Leases.

UNOFFICIAL COPY

3.1(h) Assignor will not permit any Lease to have or obtain priority over the Mortgage and, at Assignee's election, shall subordinate all Leases to the lien of the Mortgage in a manner acceptable to Assignee.

3.1(i) Assignor will use its reasonable efforts to enforce or secure the performance of each and every obligation, term, covenant, condition and warranty in the Leases to be performed or fulfilled by any tenant.

4.1 The parties further agree as follows:

4.1(a) This Assignment is absolute, continuing and is effective immediately. Notwithstanding the foregoing, until notice is sent to the Assignor in writing that an Event of Default (as defined in the Loan Agreement) has occurred (which notice is hereafter called a "Notice of Default"), Assignor has a license to receive, collect and enjoy the rents, income and profits accruing from the Mortgaged Premises, which amounts, to the extent required for operating and maintaining the Mortgaged Premises, shall be held in trust by Assignor toward the cost of operating and maintaining the Mortgaged Premises.

4.1(b) In the event of the occurrence of an Event of Default, Assignee may, at its option after service of a Notice of Default, receive and collect all such rents, income and profits as they become due, from the Mortgaged Premises and under any and all Leases of all or any part of the Mortgaged Premises. Assignee shall thereafter continue to receive and collect all such rents, income and profits, including during the pendency of any foreclosure proceedings, and if there is a deficiency, during any redemption period.

4.1(c) Assignor hereby irrevocably appoints Assignee its true and lawful attorney with full power of substitution and with full power for Assignee in its own name and capacity or in the name and capacity of Assignor, from and after the service of a Notice of Default to demand, collect, receive and give complete acquittances for any and all rents, income and profits accruing from the Mortgaged Premises, and at Assignee's discretion to (i) file any claim or take any other action or proceeding and make any settlement of any claims, necessary or desirable in order to collect and enforce the payment of the rents, income and profits due under the Leases or (ii) make, modify, enforce, cancel or accept surrender of any Leases now or hereafter in effect on the Mortgaged Premises or any part thereof; remove and evict any lessee; increase or decrease rents; clean, maintain, repair or remodel the Mortgaged Premises; otherwise do any act or incur any costs or expenses that Assignee shall deem proper to protect the security hereof, as fully and to the same extent as Assignor could do if in possession. Lessees of the Mortgaged Premises are hereby expressly authorized and directed to pay any and all amounts due Assignor pursuant to the Leases directly to Assignee or such nominee as Assignee may designate in writing delivered to such lessees who are expressly relieved of any and all duty, liability or obligation to Assignor in respect of all payments so made.

UNOFFICIAL COPY

4.1(d) From and after service of a Notice of Default, without regard to the adequacy of the security or the solvency of Assignor, Assignee is hereby vested with full power to use all measures, legal and equitable, deemed by it necessary or proper to enforce this Assignment and to collect the rents, income and profits assigned hereunder, including the right of Assignee or its designee to enter upon the Mortgaged Premises, or any part thereof, with or without process of law, and take possession through any person, by agent or by a receiver to be appointed by a court of all or any part of the Mortgaged Premises together with all personal property, fixtures, documents, books, records, papers and accounts of Assignor relating thereto, and may exclude the Assignor, its agents and employees, wholly therefrom. Assignor hereby grants full power and authority to Assignee to exercise all rights, privileges and powers herein granted at any and all times after service of a Notice of Default without further notice to Assignor, with full power to use and apply all of the rents, issues profits and other income herein assigned to the payment of the costs of managing and operating the Mortgaged Premises and of any indebtedness or liability of Assignor to Assignee, including but not limited to the payment of taxes, special assessments, insurance premiums, damage claims, the costs of maintaining, repairing, rebuilding and restoring the improvements on the Mortgaged Premises, attorneys' fees incurred in connection with the enforcement of this Assignment, and of principal and interest payments due from Assignor to Assignee on the Note and the Mortgage, all in such order as Assignee may determine according to provisions of the Loan Documents. Assignee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of the lessor under any of the Leases and Assignee does not assume any of such liabilities. It is further understood that this Assignment shall not operate to place responsibility for the control, care, management or repair of the Mortgaged Premises or parts thereof, upon Assignee, nor shall it operate to make Assignee liable for the performance of any of the terms and conditions of any of the Leases, or for any waste of the Mortgaged Premises by any lessee under any of the Leases or any other person, or for any dangerous or defective condition of the Mortgaged Premises or for any negligence in the management, upkeep, repair or control of the Mortgaged Premises resulting in loss or injury or death to any lessee, licensee, employee or stranger. Provided, however, that the acceptance by Assignee of this Assignment, with all of the rights, powers, privileges, and authority so created, shall not prior to entry upon and taking possession of the Mortgaged Premises by Assignee, be deemed or construed to constitute Assignee a "Mortgagee in Possession," nor thereafter or at any time or in any event obligate Assignee to appear in or defend any action or proceeding relating to the Leases or to the Mortgaged Premises, to take any action hereunder, to expend any money, incur any expenses or perform or discharge any obligation, duty or liability under the Leases, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Assignor by any lessee thereunder and not assigned and delivered to Assignee.

4.1(e) Waiver of or acquiescence by Assignee in any default by the Assignor, or failure of the Assignee to insist upon strict performance by the Assignor of any covenants, conditions or agreements in this Assignment, shall not constitute a waiver of any subsequent or other default or failure, whether similar or dissimilar.

UNOFFICIAL COPY

5.1 Assignor further covenants and agrees that it shall not, without the prior written consent of Assignee:

5.1(a) Receive or collect any rents, in cash or by promissory note, from any present or future tenant of the Mortgaged Premises or any part thereof for a period of more than one (1) month in advance of the date on which such payment is due, or further pledge, transfer, mortgage, or otherwise encumber or assign the Mortgaged Premises or the Leases or future payments of rents or incur any indebtedness, liability or other obligation to any tenant.

5.1(b) Waive, excuse, condone, abate, concede, discount, set off, compromise, or in any manner release or discharge any tenant under any Lease of the Mortgaged Premises or from any obligation, covenant, condition or warranty to be observed, performed or fulfilled by the tenant, including the obligation to pay the rents thereunder in the manner and at the place and time specified therein.

5.1(c) Cancel, terminate or consent to any surrender of any of the Leases, permit any cancellation or termination, commence an action of ejectment or any summary proceedings for dispossession of the tenant under any of the Leases, or exercise any right of recapture provided in any Lease, or consent to any assignment of or subletting under any of the Leases except as provided under the Leases.

5.1(d) Lease any part of the Mortgaged Premises or renew or extend the term of any Lease of the Mortgaged Premises (unless an option therefor was originally reserved by the tenant in the Lease for a fixed and definite rental) or modify or alter any material term of any Lease.

6.1 In the event any lessee under the Leases should be the subject of any proceeding under the Federal Bankruptcy Act or any other federal, state or local statute which provides for the possible termination or rejection of the Leases assigned hereby, Assignor covenants and agrees that if any of the Leases is so rejected, no settlement for damages shall be made without the prior written consent of Assignee, and any check in payment of damages for rejection of any such Lease will be made payable both to the Assignor and Assignee. Assignor hereby assigns any such payment to Assignee and further covenants and agrees that upon the request of Assignee, it will duly endorse to the order of Assignee any such check, the proceeds of which will be applied to whatever portion of the indebtedness secured by this Assignment as Assignee may elect.

7.1 Assignee shall have the right and option at any time or from time to time, in its sole discretion (but under no circumstances shall it be required or obligated), to take in its name or in the name of Assignor such action as Assignee may determine to be necessary to cure any default of Assignor under any of the Leases, whether or not any applicable cure or grace period has expired. Assignor agrees to protect, defend, indemnify and hold Assignee harmless from and against any and all loss, cost, liability or expense (including, but not limited to, attorneys' fees and expenses) in connection with Assignee's exercise of its rights hereunder.

UNOFFICIAL COPY

8.1 Assignor hereby agrees to indemnify and hold Assignee harmless from any and all liability loss, damage or expense that Assignee may incur under, or by reason or in defense of, any and all claims and demands whatsoever which may be asserted against Assignee arising out of the Leases except any such claim or demand resulting from an intentional or negligent act of Assignee, including, but not limited to, any claims by any tenants or credit for rental for any period under any Leases more than one (1) month in advance of the due date thereof paid to and received by Assignor but not delivered to Assignee. Should Assignee incur any such liability, loss, damage or expense, the amount thereof, including attorneys' fees, with interest thereon at the Default Rate set forth in the Note, shall be payable by Assignor immediately without demand, and shall be secured as a lien hereby and by the Mortgage.

9.1 Until the indebtedness secured hereby shall have been paid in full, Assignor shall deliver to Assignee executed copies of any and all Leases and all future Leases upon all or any part of the Mortgaged Premises, and will, if Assignee requests, specifically transfer and assign such Leases upon the same terms and conditions as herein contained, but Assignor acknowledges and agrees that such specific assignment and transfer shall not be required to make this Assignment operative with respect to such future Leases. Assignor hereby covenants and agrees to make, execute and deliver to Assignee upon demand and at any time any and all further or additional assignments, documents and other records and instruments, including but not limited to, rent rolls and books of account sufficient for the purpose, that Assignee may deem to be necessary or advisable for carrying out the purposes and intent of, or otherwise to effectuate, this Assignment.

10.1 This Collateral Assignment of Rents and Leases is primary in nature to the obligation evidenced and secured by the Note, Mortgage, Loan Agreement and other Loan Documents, and any other document given to secure and collateralize the indebtedness. Assignor further agrees that Assignee may enforce this Assignment without first resorting to or exhausting any other security or collateral; however, nothing herein contained shall prevent Assignee from successively or concurrently suing on the Note, foreclosing the Mortgage or exercising any other right under any other Loan Document.

11.1 In addition to, but not in lieu of, any other rights hereunder, Assignee shall have the right to institute suit and obtain a protective or mandatory injunction against Assignor to prevent a breach or default, or to enforce the observance, of the agreements, covenants, terms and conditions contained herein.

12.1 It is expressly agreed by Assignor that this Assignment shall not be construed or deemed made for the benefit of any third party or parties.

13.1 The parties agree that the law of the State of Illinois shall govern the performance and enforcement of this Assignment.

UNOFFICIAL COPY

14.1 The rights and remedies of Assignee under this Assignment are cumulative and are not in lieu of, but are in addition to any other rights or remedies which Assignee shall have under the Note or any other Loan Documents, or at law or in equity.

15.1 If any term of this Assignment, or the application thereof to any person or circumstances, shall, to any extent, be invalid or unenforceable, the remainder of this Assignment, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

16.1 All notices to be given pursuant to this Assignment shall be given in accordance with the notice provisions of the Mortgage.

17.1 The terms "Assignor" and "Assignee" shall be construed to include the heirs, personal representatives, successors and assigns thereof. The gender and number used in this Assignment are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, partnership, corporate or other forms, and the singular shall likewise include the plural.

18.1 This Assignment may not be amended, modified or changed nor shall any waiver of any provision hereof be effective as against Assignee, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

19.1 "Event of Default" means any one or more of the events, conditions or acts defined as an "Event of Default" in the Loan Agreement

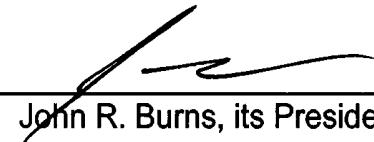
[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK
SIGNATURES ON FOLLOWING PAGE]

UNOFFICIAL COPY

IN WITNESS WHEREOF, Assignor has caused this Collateral Assignment of Rents and Leases to be signed and sealed as of the date first above written.

JAMES EQUITIES LAND FUND I, LLC, an Illinois limited liability company

By: James Equities, Inc., an Illinois Corporation, its Manager

By: 
John R. Burns, its President

Property of Cook County Clerk's Office

UNOFFICIAL COPY

STATE OF ILLINOIS)
)
 COUNTY OF COOK) SS.

I, Jason Erlich, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY THAT John R. Burns, being the President of James Equities, Inc., the Manager of James Equities Land Fund I, LLC, and who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such 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 their free and voluntary act of said limited liability company for the uses and purposes therein set forth

GIVEN under my hand and notarial seal this 31 day of July, 2007.

Jason Erlich
 Notary Public

My Commission Expires:



UNOFFICIAL COPY

EXHIBIT A

LEGAL DESCRIPTION

Legal Description: Parcel 1: (1490014)

Parcel 1:

Lots 22, 23, 24, 28, 29, 30 and 31 in Block 4 in C.E. Wooley's Subdivision of the 7.5 acres East and adjoining the West 17.5 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, and of Lots 19, 20 and 21 in Block 4 in Subdivision of 7.5 acres East and adjoining the West 10 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, lying North of the Milwaukee Plank Road in Cook County, Illinois.

Parcel 2:

The Southeasterly 1 foot of Lot 20 and all of Lot 21, also that part of the 20 foot alley (now vacated) Northeasterly of and adjoining the said Southeasterly 1 foot of Lot 20 and all of Lot 21 and lying Southwesterly of the center line of said 20 foot alley and Westerly of the East line of Lot 46 extended South to its intersection with the Southeasterly line of said Lot 21 extended Northeasterly all in Block 4 in C. E. Wooley's Subdivision of the 7.5 acres East and adjoining the West 17.5 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, and of Lots 19, 20 and 21 in Block 4 in Subdivision of 7.5 acres East and adjoining the West 10 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, lying North of the Milwaukee Plank Road in Cook County, Illinois.

Parcel 3 (1558129)

Lots 25 and 26 in Block 4 in C.E. Wooley's Subdivision of 7.5 acres East and adjoining the West 17.5 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, and of Lots 19, 20 and 21 in Block 4 of Subdivision of 7.5 acres East and adjoining the West 10 acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian lying North of Milwaukee Plank Road in Cook County, Illinois.

Parcel 4(1499594)

Lot 27 in Block Number 4 in C.E. Wooley's Subdivision of the 7 and One Half acres East and adjoining the West 17 and One Half acres of the Northeast Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, together with Lots 19, 20 and 21 in Block 4 in C.E. Wooley's Subdivision of 7 and One Half acres East and adjoining the West 10 acres of the Northeast Quarter of Section 36, aforesaid lying North of Milwaukee Avenue in Cook County, Illinois.

Permanent Index #'s: 13-36-215-038 and 13-36-215-037 and 13-36-215-039 and 13-36-215-044-0000