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This document prepared by
and upon recording return to:
James F. Keenan, Esq.
Bernstein, Shur, Sawyer & Nelson
100 Middle Street
Portland, Maine 04104

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1999-10-29 10:10:02
Cook County Recorder 37.00



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ASSIGNMENT OF LEASES AND RENTS

PIN: 25-22-201-014
Addresses of Real Estate: 11259 South King Drive (and/or 410 E. 113th Street) Chicago, IL

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BOX 333-CTI

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT is made as of this 30th day of July, 1999 by KSR INVESTMENTS, INC., a Maine corporation, having a place of business in Portland, Maine ("Assignor"), to PIONEER CAPITAL CORPORATION D/B/A PIONEER PRIVATE CAPITAL, a Maine corporation having its principal place of business at Four City Center, Portland, Maine ("Assignee").

WITNESSETH THAT:

WHEREAS, Assignor, to evidence and secure a loan pursuant to a certain Loan Agreement of near or even date herewith, has made and delivered to Assignee a certain Promissory Note of even date herewith (the "Note") in the original principal amount of Three Hundred Ten Thousand Dollars (\$310,000.00), payable as provided for in the Note with interest as therein expressed, and has executed and delivered a certain Mortgage, Security Agreement and Financing Statement also of near or even date herewith ("Mortgage") to secure the Note and creating a lien on Assignor's interest in certain real estate at 11259 S. King Drive, Chicago, IL, more particularly described in Exhibit A attached hereto and made a part hereof, including the improvements now or hereafter thereon and the easements, rights and appurtenances thereunto belonging, all of which are hereinafter called the "Property"; and

WHEREAS, Assignor is the lessor under those certain written leases of the Property or parts thereof with those tenants as more particularly described on Exhibit B attached hereto and made a part hereof and Assignor may hereafter make other leases of the Property or parts thereof; and

WHEREAS, Assignee has required the assignment hereafter made as a condition to making the above described loan (the "Loan") evidenced by the Note;

NOW, THEREFORE, Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby absolutely and directly (and not merely collaterally) assign, bargain, sell, transfer, convey, set over and deliver unto Assignee, all rights of the lessor under the leases described in Exhibit B attached hereto, and all other leases, tenancies, rental arrangements and subleases affecting the Property, or any part thereof (including all tenancies and uses of the Property which are not evidenced by written leases), now existing or which may be executed at any time in the future during the life of this Assignment, and all amendments, extensions and renewals of said leases and subleases and any of them, all of which are hereinafter called the "Leases," and all rents or other income or payments, regardless of type or source of payment (including but not limited to CAM charges, lease termination payments, refunds of any type, prepayment of rents, settlements of litigation or settlements of past due rents) which may now or hereafter be or become due or owing under the Leases, and any of them, or on account of the use of the Property. It is intended hereby to establish a present

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and complete transfer, and direct and absolute assignment of all the Leases and all rights of the lessor thereunder and all the rents, and other payments arising thereunder on account of the use of the Property unto Assignee, with the right, but without the obligation, to collect all of said rents, income and other payments which may become due during the life of this Assignment. Assignor agrees to deposit with Assignee true and correct copies of all leases of all or any portion of the Property. Capitalized terms not defined herein shall have the same meaning given those terms in the Mortgage.

1. Assignor hereby appoints Assignee the true and lawful attorney of Assignor with full power of substitution and with power for it and in its name, place and stead, to demand, collect, receipt and give complete acquittances for any and all rents and other amounts herein assigned which may be or become due and payable by the lessees and other occupants of the Property, and at its discretion to file any claim or take any other action or proceeding and make any settlement of any claims, either in its own name or in the name of Assignor or otherwise, which Assignee may deem necessary or desirable in order to collect and enforce the payment of any and all rents and other amounts herein assigned. Lessees of the Property, or any part thereof, are hereby expressly authorized and directed to pay all rents and other amounts herein assigned to Assignee or such nominee as Assignee may designate in writing delivered to and received by such lessees who are expressly relieved of any and all duty, liability or obligation to Assignor in respect of all payments so made.

2. 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 and other amounts assigned hereunder, including the right to enter upon the Property, or any part thereof, and take possession thereof forthwith to the extent necessary to effect the cure of any default on the part of Assignor as lessor in any of the Leases. Assignor hereby grants full power and authority to Assignee to exercise all rights, privileges and powers herein granted at any and all times hereafter, without notice to Assignor, with full power to use and apply all of the rents and other amounts assigned hereunder to the payment of the costs of managing and operating the Property 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 Property or of making same rentable, attorney fees and costs incurred in connection with the interpretation and/or 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. Assignee shall be under no obligation to press 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 does not assume any of the liabilities in connection with or arising or growing out of the covenants and agreements of Assignor in the Leases; and Assignor covenants and agrees that it will faithfully perform all of the obligations imposed under any and all of the Leases and hereby agrees to indemnify Assignee and to hold it harmless from any liability, attorney's fees, costs, loss or damage which may or might be incurred by it under the Leases or by reason of this Assignment, and from any and all claims and demands whatsoever which may be asserted against Assignee by

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reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Leases. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Property, or parts thereof, upon Assignee nor shall it operate to make Assignee liable for the carrying out of any of the terms and conditions of any of the Leases, or for any waste of the Property by the lessee under any of the Leases or any other party, or for any dangerous or defective condition of the Property or for any negligence in the management, upkeep, repair or control thereof resulting in loss or injury or death to any lessee, licensee, employee or stranger.

The manner of the application of rentals, the reasonableness of the costs and charges to which such rentals are applied and the item or items which shall be credited thereby shall be within the sole and unlimited discretion of Assignee.

3. Assignor hereby represents and warrants to Assignee that it is the sole owner of the entire lessor's interest in each of the Leases; that the Leases are not in default and are valid and enforceable and have not been altered, modified or amended in any manner whatsoever except as herein expressly mentioned; that all conditions precedent to the effectiveness of the Leases have been satisfied; that Assignor has not heretofore transferred or assigned the Leases or any of the rents thereunder or any right or interest therein, nor has it collected in advance or anticipated any of the rents thereunder; and Assignor represents and warrants that it is not indebted to the lessees under the Leases in any manner whatsoever so as to give rise to any right of setoff against, or reduction of, the rents payable under the Leases.

4. Assignor covenants not to alter, modify, amend or change the terms of the Leases or give any consent or permission or exercise any option required or permitted by the terms thereof (including, without limitation, consent or approval to any assignment of a tenant's rights under any Lease) or waive any obligation required to be performed by any lessee or execute, cancel or terminate any of the Leases or accept a surrender thereof or enter into leases after the date hereof without prior written consent of Assignee and, except as may be expressly permitted under the Mortgage, Assignor will not make any further transfer or assignment thereof, or attempt to pledge, assign or encumber any of the Leases or rents or other amounts payable thereunder, or convey or transfer or suffer a conveyance or transfer of the Property or of any interest therein so as to effect, directly or indirectly, a merger of the estates and rights of, or a termination or diminution of the obligations of, any lessee thereunder. Assignor further covenants to deliver to Assignee, promptly upon receipt thereof, copies of any and all demands, claims and notices of default received by it from any lessee under any of the Leases assigned herein. If requested by Assignee, Assignor shall enforce the Leases and all remedies available to Assignor against the lessees thereunder in case of default under the Leases by lessees.

5. Upon payment in full of the principal sum, interest and other indebtedness secured hereby, and by any other documents which secure the Note, this Assignment shall be and become null and void; otherwise, it shall remain in full force and effect as herein provided and, with the covenants, warranties and power of attorney herein contained, shall inure to the benefit of

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Assignee and any subsequent holder of the Note, and shall be binding upon Assignor, and its heirs, legal representatives, successors and assigns, and any subsequent owner of the Property.

6. Concurrently with the execution of any lease covering the Property, at the request of Assignee, Assignor will notify the lessee(s), by U. S. Certified Mail, of the existence of this Assignment and will deliver an executed copy of this Assignment to such lessee, directing such lessee, upon demand of Assignee, to make all payments under its lease to Assignee or its nominee in accordance with the terms of this Assignment.

7. It is understood and agreed that this Assignment shall become effective concurrently with the Note and the Mortgage. This Assignment shall be governed by and construed in accordance with the laws of the State of Maine.

8. It is the intention of Assignee and Assignor that the assignment effectuated by this Assignment with respect to the rents and other amounts due under the Leases shall be a direct and currently effective assignment and shall not constitute merely the granting of a lien, security interest or pledge for the purpose of securing the indebtedness secured by the Mortgage. In the event that a court of competent jurisdiction determines that, notwithstanding such expressed intent of the parties, Assignee's interest in the rents or other amounts due under the Leases constitutes a lien on or security interest in or pledge of the rents or other amounts due under the Leases, it is agreed and understood that the forwarding of a notice to Assignor after the occurrence of a default, with or without an opportunity to cure such default, advising Assignor of the revocation of Assignor's license to collect such rents and other amounts due under the Leases, shall be sufficient action by Assignee to (i) perfect such lien on or security interest in or pledge of the rents and other amounts due under the Leases, (ii) take possession thereof, and (iii) entitle Assignee to immediate and direct payment of the rents and other amounts due under the Leases, for application as provided in the Note or Mortgage, all without the necessity of any further action by Assignee, including, without limitation, any action to obtain possession of the land, improvements or any other portion of the Property. Notwithstanding the direct and absolute assignment of the rents and other amounts as herein described, there shall be no pro tanto reduction of any portion of the indebtedness secured by the Mortgage except with respect to rents or other amounts actually received by Assignee and applied by Assignee toward payment of such indebtedness. The Note shall be equally and ratably secured by this Assignment.

9. Notwithstanding anything in this Assignment to the contrary, Assignee may, upon written notice to Assignor, elect to (i) exclude from the assignment provided in this Assignment any of the Leases as specified in such notice so that the interest under such indicated Lease is not assigned to Assignee, and (ii) subordinate the lien and other terms and provisions of the Mortgage to any of the Leases as indicated in said notice to Assignor.

10. Notwithstanding anything to the contrary contained herein, it is understood and agreed by Assignor that any action or inaction by Assignee under this Assignment, including the receipt of rents, issues and profits and any allocation of same by Assignee, shall not constitute a

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waiver of any rights, statutory or otherwise, of Assignee under the documents evidencing the Loan including, but not limited to, the rights of foreclosure and/or acceleration of the indebtedness, whether such foreclosure or acceleration has been commenced prior to or shall be commenced subsequent to exercise of such rights, and this Assignment is made and accepted without prejudice to any other rights and remedies Assignee possesses. All rights and remedies of Assignee under this Assignment, whether granted herein or otherwise, shall be cumulative and may be exercised singularly or concurrently, and Assignee shall have, in addition to all other rights and remedies, the rights and remedies of a secured party under the Uniform Commercial Code of Maine. Discharge of the Mortgage shall act to discharge this Assignment.

11. Any notice which any party hereto may desire or be required to give to the other shall be deemed to be an adequate and sufficient notice if given in writing and service is made by registered or certified mail or nationally recognized overnight air courier, addressed to Assignor:

KSR Investments, Inc.
4 City Center
Portland, ME 04112

with a copy to:

Thomas F. Jewell
Jewell and Boutin
465 Congress Street
Portland, ME 04101

or to Assignee at:

Scott P. Lalumiere
Pioneer Capital Corporation d/b/a Pioneer Private Capital
Four City Center
Portland, Maine 04101

with a copy to:

Anthony E. Perkins, Esquire
Bernstein, Shur, Sawyer & Nelson
100 Middle Street
Portland, Maine 04101

or to any such other place as any party by notice to the other parties in writing designate.

12. Assignor has had the opportunity to fully negotiate the terms hereof and modify

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the draftsmanship of this Assignment. Therefore, the terms of the Assignment shall be construed and interpreted without any presumption, inference, or rule requiring construction or interpretation of any provision of this Assignment against the interest of the party causing this Assignment or any portion of it to be drafted. Assignor is entering into this Assignment freely and voluntarily without any duress, economic or otherwise.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be duly executed and delivered as of the date first hereinabove written.

WITNESS:

KSR INVESTMENTS, INC.


Name: _____

By: 
Name: _____
Title: _____

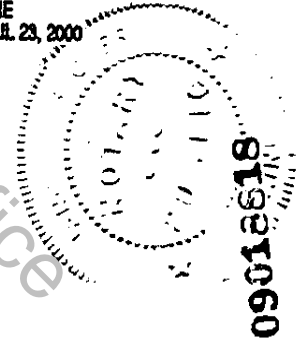
STATE OF MAINE
COUNTY OF CUMBERLAND, ss

July 30, 1999

Then personally appeared the above-named DANIEL J. COYNE of KSR Investments, Inc., as aforesaid, and acknowledged the foregoing instrument to be his/her free act and deed, in his/her said capacity, and the free act and deed of said KSK Investments, Inc.


Name: _____
Title: _____

NANCY W. STOVER
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES APRIL 23, 2000



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IN WITNESS WHEREOF, Borrower has executed this instrument this 30th day of July, 1999.

WITNESS:

KSR INVESTMENTS, INC

Anthony E. Perkins
Name:

By: Kenneth S. Ray
Name: Kenneth S. Ray
Title: President

STATE OF MAINE
COUNTY OF CUMBERLAND, ss.

July 30, 1999

THEN PERSONALLY APPEARED the above-named KENNETH S. RAY,
President of KSR Investments, Inc., as aforesaid, and acknowledged the foregoing
instrument to be
his free act and deed in said capacity and the free act and deed of said corporation.

Before me,

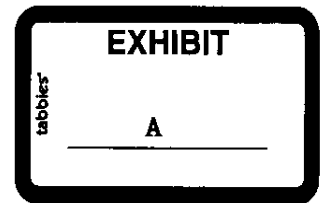
Nancy W. Stover
Name:
Title: **NANCY W. STOVER
NOTARY PUBLIC, MAINE
MY COMMISSION EXPIRES APRIL 23, 2000**




Property of Cook County Clerk's Office

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Lot 23 in Block 3 in Foote's First Addition to Pullman, a subdivision of part of Block I in Pullman Park Addition to Pullman in Section 22, Township 37 North, Range 14, East of Third Principal Meridian in Cook County, Illinois.

PIN: 25-22-201-014-0000 

Commonly known as: 11259 S. King Drive (and/or 410 E.113th Street, Chicago, Illinois)

Property of Cook County Clerk's Office

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