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COLLATERAL ASSIGNMENT OF LEASES AND RENTS

THIS COLLATERAL
ASSIGNMENT OF
LEASES AND RENTS
is made as of the 5th
day of November,
1999, from LP IV,
L.L.C., an Illinois
limited liability
company
("Borrower"), to
Richard and Margo Asta (collectively, "Lender").

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Cook County Recorder 41.50



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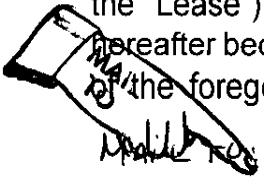
RECITALS

A. Borrower has executed a Secured Promissory Note of even date herewith to the order of Lender in the principal amount of Six Hundred Thousand and 00/100ths Dollars (\$600,000.00) ["Note"], and its Mortgage and Security Agreement ("Mortgage"), to secure the Note, conveying the premises ("Premises") legally described in Exhibit A hereto; and

B. Borrower and Lender have agreed to execute and deliver this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and as further and additional security for payment of the Note; the principal sum, interest, premiums and other indebtedness evidenced thereby; any amendments, extensions or renewals of the Note; any other indebtedness or obligation secured or guaranteed by the Mortgage; payment of all other sums with interest thereon becoming due and payable to Lender under the provisions of this Assignment; and the performance and discharge of each and every obligation, covenant and agreement of Borrower contained in this Assignment, the Note and the Mortgage, does hereby sell, assign and transfer unto the Lender its interest in (i) the leases shown on Exhibit B hereto; (ii) all leases, licenses or tenancies of the Premises or any part thereof; or any letting of or agreement for the use or occupancy of the Premises or any part thereof, whether written or oral, heretofore or hereafter made or agreed to by any party, including, without limitation, the Lender in the exercise of the powers herein conferred or otherwise; and (iii) any and all extensions, renewals and replacements of any of the foregoing (all of the leases, tenancies and rights described above are herein referred to as the "Lease"), together with all the rents, income, issues and profits now due and which hereafter become due under or by virtue of the Leases, together with all guaranties of any of the foregoing, it being the intention hereby to establish an absolute transfer and

Handwritten vertical text on the left margin: "New North National 855-815-6565 6/26/99"



HEINRICH & HILL
430 W ERIE # 301
CHICAGO IL 60610
ATTN: DEBORAH R HILL

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assignment of all the foregoing to Lender.

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To further protect the security of this Assignment, Borrower agrees as follows:

1. Agreements Regarding Leases. Borrower agrees and represents to Lender as follows:

- (A) Borrower is the sole owner of the entire interest of the landlord in the Leases; without Lender's prior written consent, which consent shall not be unreasonably withheld, Borrower will not (i) transfer, sell, assign, pledge, encumber or grant a security interest in any of the Leases; or (ii) consent to, suffer or permit the assignment or subletting of any leasehold estate created thereunder. Any attempted assignment or subletting without Lender's prior written consent, whether by Borrower or by a tenant, shall be null and void.
- (B) Any Leases are and will be valid and enforceable in accordance with their terms, and shall remain in full force and effect irrespective of any merger of the interest of landlord and tenant thereunder.
- (C) Borrower will promptly notify Lender of any default or claimed default by landlord or tenant under the Leases of which it becomes aware.
- (D) If any Lease provides for the abatement of rent during repair of the Premises demised thereunder by reason of fire or other casualty, Borrower shall furnish rental insurance to Lender in amount and form and written by insurance companies as shall be satisfactory to Lender.
- (E) Borrower shall not hereafter permit any Lease to become subordinate to any lien other than the lien of the Mortgage.
- (F) No payment of rent has been or will be made by any tenant or by a person in possession of any portion of the Premises for more than one (1) month's installment in advance or has been or will be waived, released, reduced or discounted, or otherwise discharged or compromised by the Borrower, and the Borrower waives any right of set-off against any tenant or any person in possession of any portion of the Premises; Borrower has not made and will not make any other or further assignment of the rents, issues, income or profits of the Premises or of the Leases except subsequent to or in connection with the release of this Assignment with respect to such portion or the Premises so released.

- (G) Borrower shall perform all of its covenants and agreements under the Leases and shall not suffer or permit any release of liability of, or right to withhold payment of rent by, the tenants therein;
- (H) Borrower shall not commence or continue proceedings to evict, remove or dispossess any tenant under any Lease or to terminate any Lease without prior written consent of Lender.
- (I) Borrower shall not waive, cancel, release, modify, excuse, condone, discount, set-off, compromise or in any manner release or discharge any tenant under any of the Leases from any obligation, covenant, condition or requirement of said Leases, without prior written consent of Lender.

2. Waiver of Liability. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession" in the absence of the taking of actual possession of the Premises by Lender pursuant to the provisions hereinafter contained. In the exercise of the powers granted by the Mortgage, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by the Borrower.

3. Further Assurances and Assignments. Borrower agrees to execute and deliver immediately upon request of Lender, all such further assurances and assignments concerning the Leases or the Premises as Lender shall from time to time require.

4. Exercise of Remedies. In any case in which under the provisions of the Mortgage, Lender has a right to institute foreclosure proceedings, whether before or after institution of legal proceedings to foreclose the lien thereof or before or after sale thereunder, upon demand of Lender, Borrower agrees to surrender to Lender and Lender shall be entitled to take actual possession of the Premises or any part thereof, and Lender in its discretion may, with or without force or notice and with or without process of law, enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records and accounts of the Borrower or the then owner of the Premises relating thereto, and may exclude Borrower wholly therefrom, or in its own name as mortgagee and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, if any, thereof either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment of security of the rents, income, issues and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress of rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, and with full power to cancel or terminate any Lease or sublease for any cause or on any ground which would entitle the Borrower to cancel the same, to elect to

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disaffirm any Lease or sublease made subsequent to the Mortgage or subordinated to the lien thereof, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises that may seem judicious, in its discretion, to insure and reinsure the same for all risks incidental to Lender's possession, operation and management thereof and to receive all such rents, income, issues and profits.

5. Indemnity. Lender shall not at any time (regardless of any exercise by Lender, or right of Lender to exercise, any powers herein conferred) be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any Leases or rental agreements relating to the Premises, and the Borrower shall and does hereby agree to indemnify and hold Lender harmless of and from any and all liability, loss or damage which Lender may or might incur under or by reason of (a) any Leases, (b) the assignment thereof, (c) any action taken by Lender or its agents, unless constituting willful misconduct or gross negligence, or claims and demands which may be asserted against it by reason of any alleged obligations or undertakings on its part to (or to cause the Borrower to) perform or discharge any of the terms, covenants or agreements contained in the Leases.

6. Application of Proceeds. Lender in the exercise of the rights and powers conferred upon it by this Assignment shall have full power to use and apply the rents, income, issues and profits of the Premises to the payment of or on account of the following, in such order as Lender may determine:

- (A) operating expenses of the Premises, including costs of management and leasing thereof (including reasonable compensation to Lender and its agents, and lease commissions and other compensation and expenses of seeking and procuring tenants and entering into Lease), establishing any claims for damages, and premiums on insurance hereinabove authorized, it being expressly understood and agreed that Lender in the exercise of such powers may so pay any claims purporting to be for any operating expenses of the Premises, without inquiry into, and without respect to, the validity thereof and whether such claims are in fact for operating expenses of the Premises;
- (B) taxes and special assessments now due or which may hereafter become due on the Premises;
- (C) costs of all repairs, decorating, renewals, replacements, alterations, additions, or betterments and improvements of the Premises, including, without limitation, the cost from time to time of installing or replacing such fixtures, furnishings and equipment therein, and of placing the Premises in such condition as will, in the reasonable

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judgment of Lender, make it readily rentable;

- (D) any indebtedness secured or guaranteed by the Mortgage or any deficiency which may result from the foreclosure sale.

7. Power of Attorney. In the event of Default, as that term is defined in the Note and the Mortgage, Borrower does hereby appoint irrevocably the Lender its true and lawful attorney in its name and stead and hereby authorizes Lender, with or without taking possession of the Premises, to rent, lease or let all or any portion of the Premises to any party or parties at such rental and upon such terms, in its discretion as it may determine, and to collect all of said rents, income, issues and profits now or hereafter arising from or accruing or due under the Leases with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Lender would have upon taking possession of the Premises pursuant to the provisions hereinafter set forth. Powers of attorney conferred upon Lender pursuant to this Assignment are powers coupled with an interest and cannot be revoked, modified or altered without the written consent of Lender.

8. Occurrence of Default. Although it is the intention of the parties that this Assignment is a present assignment, Lender shall not exercise any of the rights and powers conferred upon it herein until and unless there shall occur a Default as defined in the Note, or a default in the performance or observance by any other party other than the Lender of its obligations and agreements under the Mortgage, in each instance after any applicable grace periods shall have expired. Nothing herein contained shall be deemed to affect or impair any rights which the Lender may have under the Note or Mortgage.

9. Instruction to Tenants. Borrower further irrevocably instructs and authorizes each and every present and future tenant under any Lease to pay all unpaid rental agreed upon in any Lease or other agreement for occupancy of any part of the Premises to Lender upon receipt of demand from Lender so to pay the same, without any inquiry as to whether or not said demand is made in compliance with the immediately preceding paragraph. Lender has not received or been transferred any security deposit with respect to any Lease, and assumes no responsibility for any such security deposit until such time such security deposit may be transferred to Lender and accepted by Lender by notice to the tenant under said Lease.

10. Election of Remedies. The provisions set forth in this Assignment shall be deemed a special remedy given to Lender, and shall not be deemed exclusive of any of the remedies granted in the Note or the Mortgage but shall be deemed an additional remedy and shall be cumulative with the remedies therein and elsewhere granted Lender, all of which remedies shall be enforceable concurrently or successively. No exercise by Lender of any of its rights hereunder shall be construed as a waiver by Lender of any of its other rights and remedies.

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11. Continual Effectiveness. No judgment or decree which may be entered on any debt secured or intended to be secured by Lender shall operate to abrogate or lessen the effect of this instrument, but that the same shall continue in full force and effect until the payment, discharge and performance of any and all indebtedness and obligations evidenced by the Note or secured or guaranteed by the Mortgage, in whatever form, and until all bills incurred by virtue of the authority herein contained have been fully paid out of rents, income, issues and profits of the Premises, or by the Borrower, or until such time as this instrument may be voluntarily released. This instrument shall also remain in full force and effect during the pendency of any foreclosure⁴ proceedings, both before and after sale, until the issuance of a deed pursuant to a foreclosure decree, unless all indebtedness secured or guaranteed by the Mortgage is fully satisfied before the expiration of any period of redemption.

12. Notices. All correspondence between Borrower and Lender, and all notices, if any, required to be given under the terms of this Assignment or which either Borrower or Lender desires to give hereunder, shall be in writing and shall be delivered personally or be sent by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Lender, addressed to: Richard and Margo Asta
P.O. Box 5205
Chicago, Illinois 60680

With a copy to: Markey & Associates
30 N. LaSalle Street, Suite 1530
Chicago, Illinois 60602
Attention: Myra L. Markey, Esq.

If to Borrower, addressed to: LP IV, L.L.C.
Attention: Mr. and Mrs. Subhash Saluja
15 Whipporwill Court
Roselle, Illinois 60172

With a copy to: Levenfeld Perlstein Glassberg Tuchman Bright
Goldstein & Schwartz LLC
33 W. Monroe Street
21st Floor
Chicago, Illinois 60603
Attention: W. Schwartz, Esq.

or to such other address as Borrower or Lender may from time to time designate in writing to the other party. Any notice given in accordance with the foregoing shall be deemed to

have been given when delivered in person or, if mailed, three (3) days after the day on which it shall have been deposited in the mail as aforesaid.

13. Governing Law; Severability. This Assignment has been delivered in Chicago, Illinois, and shall be governed by the laws of the State of Illinois, which laws shall, without limitation, govern the enforceability, validity and interpretation of this Assignment. Whenever possible, each provision of this Assignment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Assignment shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of the Assignment.

14. Jurisdiction; Venue; Service of Process. Borrower irrevocably agrees that, subject to Lender's sole and absolute election, all actions or proceedings in any way, manner or respect arising out of, or from, or related to, this Assignment shall be litigated only in courts having situs within Cook County, Illinois. Borrower hereby consents and submits to the jurisdiction of any local, state or federal court located within said county and state. Borrower hereby irrevocably appoints and designates Levenfeld Perlstein Glassberg Tuchman Bright Goldstein & Schwartz LLC, whose address is 33 W. Monroe Street, 21st Floor, Chicago, Illinois 60603; or any other person having and maintaining a place of business in such city and state whom Borrower may from time to time hereafter designate (having given five (5) days' written notice hereof to Lender), as Borrower's true and lawful attorney and duly authorized agent for acceptance of service of legal process. Borrower agrees that service of such process upon such person shall constitute personal service of such process upon Borrower. Such party, within five (5) days after receipt of any such process, shall forward the same by certified or registered mail, together with all papers affixed thereto, to Borrower as set forth in this Assignment. Borrower hereby waives any right it may have to transfer or change the venue of any litigation brought in accordance with this Paragraph. Borrower and Lender hereby irrevocably waive the right to trial by jury with respect to any action in which Borrower and Holder are parties.

15. Successors and Assigns. This Assignment shall inure to the benefit of Lender and its successors and assigns and shall be binding upon the undersigned and its personal representatives, successors and assigns. Without limiting the generality of the foregoing, Lender, or its successors or assigns, may from time to time and without notice to the undersigned, assign any or all of its rights under this Assignment without in any way affecting or diminishing the obligations of the undersigned hereunder, who shall remain bound by and obligated to perform under and with respect to this Assignment as though there had been no such assignment by Lender or its successors or assigns.

16. Terminology. All personal pronouns used in this Assignment, whether used in the masculine, feminine or neutral gender, shall include all other genders; the singular shall include the plural, and plural shall include the singular, as the context requires.

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IN WITNESS WHEREOF, the undersigned have caused this Assignment to be executed as of the day and year first above written.

LP IV, L.L.C., an Illinois limited liability company

By: Sunita C. Salys

Its: Manager

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State of Illinois)
County of Cook) ss

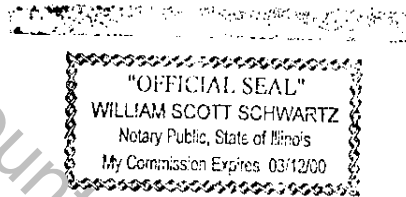
IMPRESS SEAL HERE

I, the undersigned, Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Sunita Saluja as the Manager of LP IV, L.L.C., an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the COLLATERAL ASSIGNMENT OF LEASES AND RENTS, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said company for the uses and purposes therein set forth.

William S. Schwartz

Given under my hand and official seal this 5th day of November, 1999.

Commission expires: _____



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EXHIBIT "A"

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LEGAL DESCRIPTION

LOTS 6, 7 AND 8 IN M. MCNEILL'S SUBDIVISION OF LOT 1 IN BLOCK 50 IN SCHOOL SECTION ADDITION TO CHICAGO IN THE EAST HALF (½) OF THE NORTH WEST QUARTER (¼) OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 113-117 S. Clinton Avenue
Chicago, Illinois

P.I.N.: 17-16-108-002
17-16-108-003

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EXHIBIT "B"

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SCHEDULE OF LEASES

1. Ramzanali Virgi d/b/a Popeye's, for the premises commonly known as 115 S. Clinton Street, Chicago, Illinois.
2. Lease, dated July, 1997, by and between Richard C. and Margo Asta, as lessor, and Al Magallanez, as lessee, for a term commencing December 1, 1997 and expiring December 1, 2003.
3. Lease, dated April 8, 1997, by and between Richard C. and Margo Asta, as lessor, and GiGi's Gourmet Coffee on Clinton, Inc., an Illinois corporation, as lessee, for a term commencing on April 8, 1997 and expiring on April 7, 2000.

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