



AND WHEN RECORDED MAIL TO

Texas Capital Bank, National Association
2000 McKinney Ave.
Suite 700
Dallas, Texas 75201
Telephone Number: 214-932-6747

Doc#: 1110515018 Fee: \$50.25
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/15/2011 10:19 AM Pg: 1 of 7

PREPARED BY

Harmon Law Firm, P.C.
14860 Montfort Drive
Suite 111
Dallas, Texas 75254

Property Identification No:
12-33-207-021-0000

COLLATERAL ASSIGNMENT OF NOTES AND LIENS AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT of Notes and Liens and Security Agreement is made as of December 15, 2009, by **Bridge Investments, L.P.**, a Texas limited partnership ("Assignor"), whose address is P.O. Box 22102, Houston, Texas 77227, to **Texas Capital Bank, National Association**, a national banking association ("Lender"), whose address is 2000 McKinney Ave, Suite 700, Dallas, Texas 75201.

WITNESSETH:

The Assignor for good and valuable consideration, the receipt whereof is hereby acknowledged, hereby grants to Lender a security interest or an assignment, as the case may be, in and to that certain Promissory Note, dated on or about November 08, 2007, executed by Flight 23 Properties, LLC and payable to the order of Bridge Investments, L.P. in the original principal amount of \$150,500.00 (hereinafter called the "Collateral Note"), any and all documents now or hereafter executed in connection with the Collateral Note and all liens, security interests, assignments, mortgages and guaranties accruing or to accrue to the benefit of Assignor with respect to the Collateral Note (hereinafter collectively called the "Collateral Security"); and together with all rights, powers, privileges benefits and remedies arising under the Collateral Note and the related Collateral Security, including without limitation, all casualty insurance policies, and all moneys, income, proceeds and benefits attributable or accruing to the Collateral Note or Collateral Security (the "Related Instruments" and together with the Collateral Note and the Collateral Security, hereinafter sometimes called the "Collateral"). The Collateral Note is secured by a certain security instrument (which may be a mortgage, deed of trust, security deed, or other type of security instrument), of even date with the Collateral Note, recorded under File No. 0733109038 in the records of Cook County, Illinois where a mortgage is recorded (the "Mortgage"), which creates a lien against the following described real estate, such lien expressly being a part of the Collateral:

LOT 8 IN BLOCK 5 IN FIRST ADDITION LEYDEN GARDENS, BEING A SUBDIVISION OF THE WEST 2/3 OF THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE WEST 1/3 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY ILLINOIS APN: 12-33-207-021-0000, which has the address of 9902 Armitage Avenue, Melrose Park, Illinois 60164.

S ✓
P ✓
S ✓
M ✓
SC ✓
PE 1 ✓
INT ✓

UNOFFICIAL COPY

1. Secured Indebtedness. This Collateral Assignment is executed, acknowledged and delivered as security for and to secure the full, prompt and complete payment as and when the same becomes due and payable of all sums owing and to be owing on and under, and the performance of all obligations under, the following, together with any renewals, extensions, amendments, modifications, or rearrangements thereof (hereinafter collectively called the "Indebtedness"):

- (a) That certain Promissory Note, dated October 14, 2008, executed by B.P. Thompson Second Limited Partnership and Bridge Investments, LP, and payable to the order of Lender in the original principal amount of \$8,000,000.00, together with all renewals, extensions, and modifications thereof, including, without limitation, any renewal promissory note (collectively, the "Secured Note");
- (b) All obligations of B.P. Thompson Second Limited Partnership and/or Bridge Investments, LP to Lender with respect to any document or instrument relating to the Secured Note (the Secured Note, together with all such additional documents and instruments, is herein called the "Loan Agreement");
- (c) All other obligations, now existing or hereafter arising, from B.P. Thompson Second Limited Partnership and/or Bridge Investments, LP to Lender.

If the Indebtedness is fully paid and performed as the same becomes due, this conveyance shall become null and void, and Lender will reassign to Assignor, without recourse, the Collateral Note and all rights and liens conveyed hereby, and Lender agrees to execute all documents necessary to reassign the Collateral Note to Assignor. Otherwise, this conveyance is to remain in full force and effect.

2. Representations and Warranties of Assignor. Assignor hereby represents and warrants to Lender that:

- (a) Assignor is the legal owner and holder of the Collateral Note;
- (b) The Collateral Note, Collateral Security and Related instruments are valid and enforceable and have not been altered, modified or amended in any manner whatsoever;
- (c) Assignor has not assigned, mortgaged or hypothecated the Collateral Note, the indebtedness evidenced thereby or any of the liens or security interests securing same or any guaranty therefor, except to Lender pursuant to this Collateral Assignment, or as disclosed to Lender in writing;
- (d) Assignor has the full right and unqualified authority to transfer and convey the Collateral Note, the indebtedness evidenced thereby and the Collateral Security and Related Instruments in the manner and for the purposes herein set forth;
- (e) The Collateral Note is current and in good standing in all respects;
- (f) No default exists under the Collateral Security or any other instrument securing or guaranteeing the payment of the Collateral Note;
- (g) The Collateral Note is not subject to any credits or offsets not shown by proper endorsement on the Collateral Note; and
- (h) Assignor has or shall notify the maker of each Collateral Note and any assumptor of any Collateral Note of this Collateral Assignment.

UNOFFICIAL COPY

3. Covenants of Assignor. Assignor hereby covenants and agrees that:

(a) Assignor will not enter into any other assignment, pledge, or security agreement covering the Collateral so long as any of the Indebtedness remains unpaid, except any such security agreement in favor of Lender. Assignor will not sell or offer to sell or transfer the Collateral or any interest therein as long as the Indebtedness remains unpaid, unless Assignor pays over to Lender the full net proceeds of any such sale to Lender to be credited against the Indebtedness.

(b) Assignor will defend the Collateral against the claims and demands of all persons or entities claiming the same or any part thereof or interest therein.

(c) Until the full and complete payment of all of the Indebtedness, Lender is hereby fully authorized and empowered, whether before or after the occurrence of any default under the Loan Agreement:

(i) to receive, collect and demand payment directly from the maker of each Collateral Note of all sums and amounts payable on or with respect to the Collateral Note; and

(ii) to exercise and enforce all of the other rights, powers and remedies of the holder of the Collateral Note, including (but not by way of limitation) the right to demand payment of the Collateral Note in the event of any default thereunder and to enforce the Collateral Security and Related Instruments.

In the event Assignor or any affiliate of Assignor becomes the owner of the real property which secures the Collateral Note, whether by foreclosure, deed in lieu of foreclosure, or any other method or arrangement, then Assignor shall (or cause such affiliate of Assignor to) execute an appropriate instrument creating and/or evidencing a lien for the benefit of Lender covering such property and securing the Indebtedness. Notwithstanding anything herein to the contrary, Assignor may not foreclose the liens of the Mortgage without Lender's written consent.

(d) After the occurrence of a default under the Indebtedness, Assignor will hold all monies, income, payments, or benefits attributable or accruing to the Collateral Note in trust for Lender and will not commingle with any other property or monies of Assignor and will promptly deliver the same to Lender in the form received.

(e) Lender is under no obligation to enforce the collection of the Collateral Note and shall not be liable for any neglect or failure to take action with reference to the Collateral Note; and none of the rights, powers, or liens hereunder shall be prejudiced or affected by any neglect, failure or omission as to any such matters.

(f) Assignor will:

(i) perform or cause to be performed all of the terms, covenants and conditions on its part to be performed under the Collateral Note and each of the Collateral Security and Related Instruments, including, without limitation, the Mortgage;

(ii) promptly notify Lender in writing of (x) the occurrence of any event of default (after the lapse of any applicable grace period) in the observance or performance of any of the terms, covenants and conditions to be performed under any of the Collateral Note or under any of the Collateral Security and Related Instruments and the Mortgage, and (y) the giving of any notice of any such default or event of default; and

UNOFFICIAL COPY

- (iii) whenever required by Lender, at the sale cost and expense of Assignor, take all such action as may be so requested to enforce or secure the performance of any term, covenant or condition of any of the Collateral Security and Related Instruments and the Mortgage and to exercise any right of Assignor under any of the Collateral Security and Related Instruments and the Mortgage.
- (g) Assignor will not, without the prior written consent of Lender:
- (i) reduce any payment required to be made to Assignor and/or Lender under the Collateral Note;
- (ii) revise, alter, modify, amend or change the Collateral Note in any way, either orally or in writing, other than extensions of the maturity date thereof for a cumulative period not to exceed 24 months;
- (iii) waive any condition in respect of, or release any person with respect to, the Collateral Note, the Collateral Security, the Mortgage, and Related Instruments or the performance or observance of any material obligation or condition thereunder including, without limitation, any waiver or deferral of any scheduled payments thereunder, except as otherwise permitted herein;
- (iv) amend, modify or waive any of the terms of any of the Collateral Security, Mortgage, and Related Instruments or release any collateral for any of the Collateral Note, either orally or in writing, except as otherwise permitted herein; or
- (v) if Lender shall consent to any renewal, modification, extension or rearrangement of any of the Collateral Note, Assignor shall immediately endorse any note given in renewal, modification, extension or rearrangement or substitution for the Collateral Note payable to the order of Lender and shall immediately deposit such note with Lender. Thereafter, such note shall be considered part of such Collateral Note for all purposes of this Collateral Assignment.
- (h) Lender shall not be responsible in any way for any depreciation in the value of the Collateral Note or Collateral Security, Mortgage, and Related Instruments, nor shall any duty or responsibility whatsoever rest upon Lender to take any steps to preserve rights against prior parties or to enforce collection of the Collateral Note or Security Instruments or the Mortgage by legal proceedings or otherwise, the sole duty of Lender, its successors and assigns, being to receive collections, remittances and payments on the Collateral Note or Collateral Security, Mortgage and Related Instruments as and when made and received by Lender, and, at Lender's option, to apply the amount or amounts so received, after deduction of any collection costs incurred, as payment upon any of the Indebtedness or to hold the same for the account and order of Assignor.
- (i) Regardless of any of the provisions contained in the Collateral Note, this Collateral Assignment, or any other instrument had and to be had in connection with or as security for the payment of the Indebtedness, the Indebtedness shall be promptly paid in accordance with the provisions of the Secured Note and the Loan Agreement, and the Indebtedness in all events is and shall be the firm and absolute obligation of Assignor to pay in the amounts, at the times, and in the manner provided therein not contingent upon or limited to any revenues or proceeds payable and to be payable to Lender under the provisions hereof.
- (j) Assignor shall pay the reasonable fees and expenses of counsel for the Lender in connection with this Collateral Assignment and all transactions pursuant hereto. Assignor will, upon request,

UNOFFICIAL COPY

promptly reimburse the Lender for all amounts expended, advanced or incurred by the Lender to satisfy any obligation of the Assignor under this Collateral Assignment, or to collect the Indebtedness, or to enforce the rights of the Lender under this Collateral Assignment or any other instrument referred to or mentioned herein or executed or to be executed in connection herewith, together with interest thereon at the rate provided in the Secured Note for past due principal and interest on each such amount from the date that the same is expended, advanced or incurred by the Lender until the date it is repaid to the Lender.

4. Events of Default. Assignor shall be in default under this Collateral Assignment upon the occurrence of any default under the Secured Note or the Loan Agreement (an "Event of Default").

5. Remedies

(a) Upon the occurrence of an Event of Default, Lender may elect to declare the Indebtedness immediately due and payable in full, Assignor hereby expressly waiving, demand, presentment, notice of non-payment, protest, notice of dishonor, notice of intent to accelerate, notice of acceleration or any other notice whatsoever.

(b) Upon the occurrence of an Event of Default, and at any time thereafter, Lender shall have the right to sell the Collateral Note, together with the security therefor, at any private or public sale or exercise any other rights or remedies permitted by the Texas Business and Commerce Code or otherwise available to Lender at law or in equity, all of which shall be deemed cumulative, and Lender shall transfer to the purchaser at any such sale the Collateral Note, together with the security therefor, and the recitals in such transfer shall be prima facie evidence of the truth of the matters therein stated and all prerequisites to such sale required hereunder and under applicable laws shall be presumed to have been performed.

In this connection, Lender is and shall be fully subrogated to all rights and liens existing unto and in favor of the Assignor and the provisions of the Collateral Security, Mortgage, and Related Instruments and in the event of a default hereinabove mentioned, Lender shall be entitled to continue to collect the amounts owing under the Collateral Note and Collateral Security, Mortgage, and Related Instrument and to foreclose said rights and liens and to have the properties covered by said instruments sold, in whole or in part, or to exercise any other remedies in the manner and under the terms and conditions provided in said instruments.

All of the collections or proceeds from the exercise of the rights and remedies referred to in this Section 5 will be applied by Lender, first to the payment of the expenses of said sale, including reasonable attorneys' fees, if any, and then to the payment of the accrued but unpaid interest on the Indebtedness and then to the unpaid principal of the Secured Note and the Indebtedness and the balance, if any, to the person or persons legally entitled thereto under applicable law.

(c) The requirement of reasonable notice to Assignor shall be met if such notice is mailed, postage prepaid, to:

Bridge Investments, L.P.
P.O. Box 22102
Houston, Texas 77227

at least ten (10) days before the date of any public sale or at least ten (10) days before the time after which any private sale or other disposition is to be made.

UNOFFICIAL COPY

(d) The security interest and liens herein created shall not be affected by, or affect any other security taken for, payment and performance of the Indebtedness, or any part thereof, and the holder of the Indebtedness shall not be limited by any election of remedies if such holder chooses to foreclose this security interest and lien by suit. The right to sell under the terms hereof also shall exist cumulative with any such suit, and one method shall not bar the other, but both maybe exercised at the same or different times, nor shall one be a defense to the other.

(e) Lender shall have the power to endorse and hereby is appointed Assignor's agent and attorney-in-fact for the purpose of doing any and every act which Assignor is obligated to do by this Collateral Assignment and to exercise all rights of Assignor relating to the Collateral Security, the Mortgage, or the Related Instruments, including endorsing in the name of Assignor any of the Collateral Note or any instrument securing payment thereof or relating thereto, or exercising, signing, transferring or delivering in the name of Assignor any instruments or documents which may be received in payment or on account of the Indebtedness or necessary to evidence, perfect or realize upon the security interest and lien or obligations created by this Collateral Assignment and to do all other acts necessary to preserve and protect the Collateral or to protect Lender's security interest in the Collateral.

6. Miscellaneous.

(a) All rights, liens, privileges, powers, remedies and securities existing and to exist under this and in any and all instruments had and to be had in connection with any of the Indebtedness, in law and/or in equity, are and shall be cumulative one of the other and not exclusive. In the event any portion or provisions hereof be found, held or declared to be unenforceable or invalid for any reason by a court of competent jurisdiction, the same shall not affect any of the other provisions hereof.

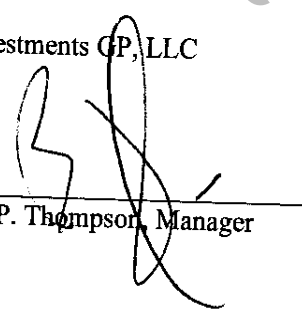
(b) The provisions hereof shall extend to and be binding upon the respective successors and assigns of Assignor and the Lender.

(c) **This Collateral Assignment shall be governed by construed and interpreted in accordance with the laws of the State of Texas and applicable law of the United States of America, unless the laws of the state where the real property covered by the Mortgage is situated mandate that it be governed by the laws of that state, in which case, it shall be governed by, construed and interpreted in accordance with the laws of such state and applicable law of the United States of America.**

WITNESS THE EXECUTION HEREOF as of the first date set forth above.

Bridge Investments, L.P.

By: Bridge Investments GP, LLC

By: 
Brooke P. Thompson, Manager

UNOFFICIAL COPY

STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

This instrument was acknowledged before me on January 21, 2010, by Brooke P. Thompson, manager of Bridge Investments GP, LLC, a Texas limited liability company, acting in its capacity as general partner of Bridge Investments, L.P., a Texas limited partnership.





Notary Public, State of Texas

Property of Cook County Clerk's Office