



Doc#: 1225518033 Fee: \$56.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 09/11/2012 01:15 PM Pg: 1 of 10

THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:

Timothy W. Grooms, Esq.
Quattlebaum, Grooms, Tull & Burrow PLLC
111 Center Street, Suite 1900
Little Rock, Arkansas 72201
(501) 379-1700



ASSIGNMENT OF RENTS AND LEASES

KNOW ALL PERSONS BY THESE PRESENTS:

THAT THIS ASSIGNMENT OF RENTS AND LEASES (the "Assignment") made and entered into as of this 7th day of September, 2012, by **MOTEL SLEEPERS, INC.**, a Minnesota corporation, whose address is 107 Morgan Keegan Drive, Suite B, Little Rock, Arkansas 72202 and **MSI LODGING SYSTEMS, LLC**, an Arkansas limited liability company, whose address is 101 Morgan Keegan Drive, Suite B, Little Rock, Arkansas 72202 (collectively, "Assignor"), in favor of **FIRST SECURITY BANK**, an Arkansas state bank, whose address is P.O. Box 17770, Little Rock, Arkansas 72223 ("Assignee");

WITNESSETH:

THAT FOR AND IN CONSIDERATION OF TEN DOLLARS (\$10.00) cash in hand paid by Assignee to Assignor and the debt hereinafter mentioned, the receipt and sufficiency of which are hereby acknowledged, and as supplement to and not in limitation of other agreements between Assignor and Assignee, Assignor does hereby presently bargain, grant, sell, convey, deliver, confirm and warrant unto Assignee, its successors and assigns, as a present and absolute assignment and not merely one for security, all of the right, title and interest of Assignor in and to all rental agreements, leases, subleases or other instruments now or hereafter entered into, whether oral or written, which demise any portion of the real property located in Chicago, Cook County, Illinois, and described in **Exhibit A** attached hereto (the "Property"), together with any and all extensions and renewals thereof (all such rental agreements, leases and subleases being hereinafter collectively referred to as the "Leases," some of which may be attached to or specifically described on **Exhibit B** hereto, but not essential to the conveyance and assignment represented hereby), together with any guarantees of the tenant's obligations thereunder, together with the immediate and continuing right to collect and receive all rents, income, payments and profits arising out of the Leases or out of the Property or any part thereof, together with the right to all proceeds payable to Assignor pursuant to any purchase options on the part of the tenants under the Leases, together with all payments derived therefrom, including but not limited to claims for recovery of damages done to the Property by any tenants or subtenants or for the abatement of any nuisance existing thereon as the result of the conduct of any tenant or subtenant, claims for damages resulting from default under the Leases whether resulting

NCS 462A33-018

First American Title Order #

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from acts of insolvency or acts of bankruptcy or otherwise, and lump sum payments for the cancellation of the Leases or the waiver of any obligation or term thereof prior to the expiration date (hereinafter collectively referred to (and intended by all parties to be considered, for purposes of 11 U.S.C. 363, 552, to be included) as the "Rents").

AND ASSIGNOR FURTHER AGREES, ASSIGNS AND COVENANTS AS FOLLOWS:

1. Performance of Leases. To faithfully abide by, perform and discharge each and every obligation, covenant and agreement of the Leases by the lessor to be performed; to use commercially reasonable efforts to enforce or secure the performance of each and every obligation, covenant, condition and agreement of the Leases by the tenants to be performed; not to borrow against, pledge or assign any rentals due under the Leases, nor consent to a subordination or assignment of the interests of the tenants thereunder to any party other than Assignee, nor anticipate the rents thereunder for more than one month in advance or reduce the amount of the Rents and other payments thereunder.

2. Protect Security. At Assignor's sole cost and expense, to appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Leases or the obligations, duties or liabilities of the lessor thereunder and to pay all costs and expenses of Assignee, including attorneys' fees in a reasonable sum, at any such action or proceeding in which Assignee in its sole discretion may appear.

3. Representations and Warranties. Assignor hereby represents and warrants: (i) Assignor has full right and title to assign the Leases and Rents; (ii) no other assignment of any interest therein has been made by Assignor; (iii) to the best of Assignor's current, actual knowledge, there are no existing defaults of a material nature under the provisions of the Leases; and (iv) to the best of Assignor's current, actual knowledge, the tenants under the Leases have no defenses, setoffs or counterclaims against Assignor.

4. Absolute and Present Assignment. It is understood and agreed the Assignment granted herein shall constitute a perfected, absolute and present assignment from Assignor to Assignee and not an assignment for security purposes only. Notwithstanding the foregoing, unless and until an Event of Default should exist under the terms of that certain (i) Negotiable Term Promissory Note of even date herewith in the principal amount of up to Ten Million Two Hundred Eighty-Nine Thousand Ninety-Eight and No/100 United States Dollars (\$10,289,098.00), executed by Assignor in favor of Assignee (the "Note"), (ii) Construction Mortgage (with Security Agreement, Absolute Assignment of Leases and Rents, Fixture Filing and Financing Statement), of even date herewith given to secure payment of the Note (the "Mortgage"), executed by Assignor in favor of Assignee, or (iii) Construction Loan Agreement (the "Loan Agreement"), of even date herewith, executed by Assignor and delivered to Assignee, or default (beyond any applicable cure periods) pursuant to any other loan agreement by and between Assignor and Assignee, or default (beyond any applicable cure periods) under any of the other Loan Documents (defined below), Assignor shall have the right to collect, but not prior to accrual, all of the Rents and to retain, use and enjoy the same.

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5. No Obligation Upon Assignee. Assignee's acceptance of the assignment of Leases and Rents provided for herein shall not obligate Assignee to appear in nor defend any proceeding relating to any of the Leases or to the Property, take any action hereunder, expend any money, incur any expenses or perform any obligation or liability under the Leases or assume any obligation for any deposits delivered to Assignor by any tenant. Notwithstanding the foregoing, should Assignor fail to perform, comply with or discharge any obligations of Assignor under any Lease, or should Assignee become aware of or be notified by any tenant under any Lease of a failure on the part of Assignor to so perform, comply with or discharge its obligations under the Lease, Assignee may, without waiving or releasing Assignor from any obligation contained in this Assignment, the Note, the Mortgage, the Loan Agreement, or other documents or instruments concerning, evidencing or securing the obligation of Assignor to Assignee (collectively, the "Loan Documents"), remedy such failure, and Assignor hereby agrees to repay upon demand all sums incurred by Assignee in remedying any such failure together with interest at the rate then in effect under the terms of the Loan Documents. All such sums, together with interest as aforesaid, shall become additional indebtedness due under the Loan Documents, but no such event shall be deemed to relieve Assignor from any default hereunder or thereunder.

6. Remedies. Upon or at any time after the occurrence of an Event of Default under the Loan Documents, or a default in the performance of any obligation, covenant or agreement contained herein, Assignee may, after ten (10) day notice to Assignor, declare all indebtedness evidenced by the Loan Documents immediately due and payable, may revoke the privilege granted Assignor hereunder to collect the Rents, and may, at its option, without notice, either in person or by agent, with or without taking possession of or entering the Property, with or without bringing any action or proceeding, or by receiver to be appointed by the Court, collect all the Rents payable under the Leases and enforce the payment thereof and exercise all the rights of Assignor under the Leases and all of the rights of Assignee hereunder, and may enter upon, take possession of, manage and operate the Property, or any part thereof; may cancel, enforce or modify the Leases and fix or modify the Rents, and do any acts which Assignee deems proper to protect the security hereof with or without taking possession of the Property, and may apply the same to the costs and expenses of operation, management and collection, including reasonable attorneys' fees to the payment of the expenses of any agent appointed by Assignee, to the payment of taxes, assessments, insurance premiums and expenditures for the upkeep of the Property, to the performance of the lessor's obligations under the Leases and to any indebtedness evidenced by the Loan Documents, all in such order as Assignee may determine. The entering upon and taking possession of the Property, the collection of the Rents and the application thereof as aforesaid, shall not cure or waive any default or waive, modify or affect notice of default in the Loan Documents or invalidate any act pursuant to such notice or in any way operate to prevent Assignee from pursuing any remedy which it now or hereafter may have under the terms or conditions of the Loan Documents. Further, such entry onto the Property will be merely to protect Assignee's "security interest" in the Property, and its absolute present assignment of the Leases, without in any respect constituting the management or operation of any business conducted thereon, and thus without incurring liability under any state or federal environmental law.

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7. Assignor to Hold Assignee Harmless. Assignor shall and does hereby agree to indemnify and hold Assignee harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or by reason of this Assignment and of and from any and all claims and demands whatsoever which 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 the Leases, except negligent or intentionally wrongful acts of Assignee, its employees and servants. Should Assignee incur any such liability or any costs or expenses in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be added to the indebtedness evidenced by the Loan Documents and Assignor shall reimburse Assignee therefor immediately upon demand, and the continuing failure of Assignor to do so shall constitute a default hereunder and an event of default under the Loan Documents.

8. Security Deposits. Assignor agrees on demand to transfer to Assignee any security deposits held by Assignor under the terms of the Leases. Assignor agrees such security deposits may be held by Assignee without any allowance of interest thereon, except statutory interest accruing to the benefit of the tenants, and shall become the absolute property of Assignee upon an event of default (continuing beyond any applicable cure period) under the Loan Documents to be applied in accordance with the provisions of the Leases. Until Assignee makes such demand and the deposits are paid over to Assignee, Assignee assumes no responsibility to the tenants for any such security deposits.

9. Authorization to Tenants. The tenants under the Leases are hereby irrevocably authorized and directed to recognize the claims of Assignee or any receiver appointed hereunder without investigating the reason for any action taken by Assignee or such receiver, or the validity or the amount of indebtedness owing to Assignee, or the existence of any event of default under the Loan Documents, or under or by reason of this Assignment, or the application to be made by Assignee or receiver. Assignor hereby irrevocably directs and authorizes the tenants to pay to Assignee or such receiver all sums due under the Leases and consents and directs that such sums shall be paid to Assignee or any such receiver in accordance with the terms of its receivership without the necessity for a judicial determination that a default has occurred hereunder, under the Loan Documents, or that Assignee is entitled to exercise its rights hereunder, and to the extent such sums are paid to Assignee for the same. The sole signature of Assignee or such receiver shall be sufficient for the exercise of any rights under this Assignment, and the sole receipt of Assignee or such receiver for any sums received shall be a full discharge and release therefor to any such tenants or occupants of the Property. Checks for all or any part of the Rents collected under this Assignment shall upon notice from Assignee or such receiver be drawn to the exclusive order of Assignee or such receiver.

10. Satisfaction. Upon the payment in full of all indebtedness evidenced by the Loan Documents, this Assignment shall, without the need for any further satisfaction or release, become null and void and shall be of no further effect.

11. Assignee Creditor of the Tenants. Upon or at any time during the continuance of a default in payment of the indebtedness evidenced by the Loan Documents, Assignor agrees

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Assignee, not Assignor, shall be deemed to be the creditor of the tenants in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution or receivership proceedings affecting such tenants (without obligation on the part of Assignee, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditor's rights therein and reserving the right to Assignor to make such filing in such event), with an option to Assignee to apply any money received by Assignee as such creditor in reduction of the indebtedness evidenced by the Loan Documents.

12. Assignee Attorney-In-Fact. Assignor hereby irrevocably appoints Assignee and its successors and assigns as its agent and attorney-in-fact, which appointment is coupled with an interest, to exercise any rights or remedies hereunder and execute and deliver during the term of this Assignment such instruments as Assignee may deem necessary to make this Assignment and any further assignment effective.

13. General Assignment of Leases and Rents. The rights contained in this Assignment are in addition to and shall be cumulative with any corresponding rights given and created pursuant to the Loan Documents, assigning generally all leases, rents and profits of the Property, and shall in no way limit the rights created thereunder.

14. Not a Mortgagee in Possession. Nothing herein contained and no actions taken pursuant to this Assignment shall be construed to make Assignee a "mortgagee in possession."

15. Continuing Rights. The rights and powers of Assignee or any receiver hereunder shall continue and remain in full force and effect until all indebtedness evidenced by the Loan Documents are paid in full and shall continue after commencement of a foreclosure action and after foreclosure sale and until expiration of the equity of redemption if Assignee shall be purchaser at the foreclosure sale.

16. Successors and Assigns. This Assignment and each and every covenant, agreement and provision hereof shall be binding upon Assignor and its successors and assigns, including without limitation each and every record owner of the Property or any other person having an interest therein and shall inure to the benefit of Assignee and its successors and assigns. As used herein, the words "successors and assigns" shall also be deemed to mean the heirs, executors, representatives and administrators of any natural person who is a party to this Assignment.

17. Governing Law. The rights and remedies provided to Assignee by this Assignment are intended to be governed as set forth in the Loan Agreement.

18. Validity Clause. It is the intent of this Assignment to confer to Assignee the rights and benefits hereunder to the full extent allowable by law. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. Any provisions found to be unenforceable shall be severable from this Assignment.


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19. Notices. Any notice that any party hereto may desire or may be required to give to any other party shall be done in accordance with the Loan Agreement and shall constitute service of notice hereunder to Assignor or to Assignor's successors or assigns or any subsequent owner of the Property.

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

ASSIGNOR:

MOTEL SLEEPERS, INC.,
a Minnesota corporation

By: 
Leon B. Catlett II, President

MSI LODGING SYSTEMS, LLC,
an Arkansas limited liability company

By: 
Leon B. Catlett II, Manager

ASSIGNEE:

FIRST SECURITY BANK,
an Arkansas state bank

By: 
Whit Penick, Assistant Vice President

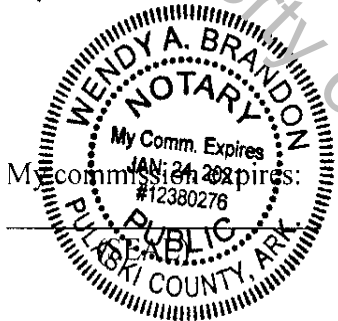
Property of Cook County Clerk's Office

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STATE OF ARKANSAS)
) ss: ACKNOWLEDGMENT
COUNTY OF PULASKI)

On this day personally appeared before the undersigned, a Notary Public within and for the County and State aforesaid, duly qualified, commissioned and acting, the within named **Leon B. Catlett II**, the President of **MOTEL SLEEPERS, INC.**, a Minnesota corporation, and stated that he was duly authorized in his capacity to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that he had so signed, executed and delivered the foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 7th day of September, 2012.

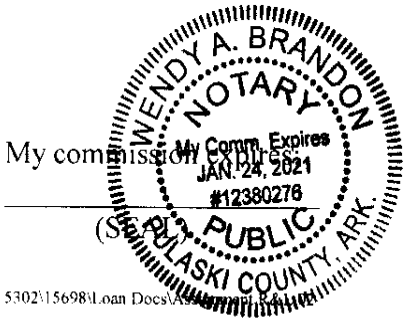


Wendy A. Brandon
Notary Public

STATE OF ARKANSAS)
) ss: ACKNOWLEDGMENT
COUNTY OF PULASKI)

On this day personally appeared before the undersigned, a Notary Public within and for the County and State aforesaid, duly qualified, commissioned and acting, the within named **Leon B. Catlett II**, the Manager of **MSI LODGING SYSTEMS, LLC**, an Arkansas limited liability company, and stated that he was duly authorized in his capacity to execute the foregoing instrument for and in the name and behalf of said company, and further stated and acknowledged that he had so signed, executed and delivered the foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 7th day of September, 2012.



Wendy A. Brandon
Notary Public

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STATE OF ARKANSAS)

)ss.

ACKNOWLEDGMENT

COUNTY OF PULASKI)

On this day, before me, a Notary Public, duly commissioned, qualified and acting, with and for said County and State, appeared in person the within named **Whit Penick**, to me well known, who stated that he was an Assistant Vice President of **FIRST SECURITY BANK**, an Arkansas state bank, and was duly authorized in that capacity to execute the foregoing instrument for and in the name and on behalf of said bank, and further stated and acknowledged that he had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

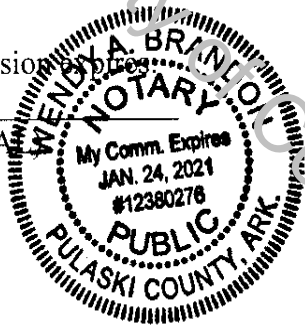
IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 7th day of September, 2012.

Wendy A. Brandon

Notary Public

My commission expires

(SEAL)



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EXHIBIT A

Borrower/Debtor/ Mortgagor/Record Owner:	MOTEL SLEEPERS, INC. a Minnesota corporation 101 Morgan Keegan Drive, Suite B Little Rock, Arkansas 72202
Lender/Secured Party/ Mortgagee/Creditor:	FIRST SECURITY BANK an Arkansas state bank P.O. Box 17770 Little Rock, Arkansas 72223

Legal Description:

LOTS 13 AND 14 OF THE CHATHAM MARKET SUBDIVISION, BEING A SUBDIVISION IN THE SOUTHWEST QUARTER AND IN THE SOUTHEAST QUARTER OF SECTION 33, TOWNSHIP 38 NORTH AND IN THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 37 NORTH, ALL IN RANGE 14, EAST OF THE THIRD MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 5, 2007 AS DOCUMENT 0700515159, IN COOK COUNTY, ILLINOIS.

ADDRESS: 83rd Street and Stewart Avenue Chicago, IL

PINs: 20-33-405-016-0000, 20-33-405-017-0000, 20-33-405-018-0000 and 20-33-405-019-0000

AND all bridges, easements, rights-of-way, licenses, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, minerals, landscaping, flowers, plants, shrubs, trees, timber and other emblements now or hereafter located on the above-described real property under or above the same or any part thereof or appurtenant to the title to the above-described real property, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances, reversion and reversions, remainder and remainders, whatsoever, in any way belonging, relating or appertaining to the above-described real property or any part thereof, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired and all rights, titles and interests in and to any vacating or hereafter vacated streets or roads adjoining the above-described real property and any and all reversionary or remainder rights.

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EXHIBIT B

Borrower/Debtor/ Mortgagor/Record Owner:	MOTEL SLEEPERS, INC. a Minnesota corporation 101 Morgan Keegan Drive, Suite B Little Rock, Arkansas 72202
Lender/Secured Party/ Mortgagee/Creditor:	FIRST SECURITY BANK an Arkansas state bank P.O. Box 17770 Little Rock, Arkansas 72223

[LEASES]