

# UNOFFICIAL COPY

## COLLATERAL ASSIGNMENT OF RENTS AND LEASES



Doc# 2112722008 Fee \$88.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 05/07/2021 09:35 AM PG: 1 OF 5

Above Space for Recorder's use only

This Assignment made this 3rd day of March, 2021, by and between **EMERSON FIVE LLC**, an Illinois limited liability company ("Assignor") and **THE PAUL LIVING TRUST, U/A DATED MARCH 12, 2013** ("Assignee");

### WITNESSETH:

Assignor is the fee owner of the real property commonly known as 2501 N. Kimball Avenue, Chicago, Illinois, and legally described on the Exhibit attached hereto (the "Property"), and has agreed to make a Note to Assignee in the amount of \$495,886.15 (the "Note") secured by a mortgage in like amount secured by the Property (the "Mortgage") (the Note and Mortgage are referred to collectively as the "Loan Documents") of even date herewith and intended to be recorded simultaneously herewith.

As a condition to making such a loan to Assignor, Assignee requires Assignor to execute and deliver this Collateral Assignment of Rents and Leases further securing Assignor's indebtedness to Assignee.

**NOW THEREFORE**, in order to better secure the payment to the Assignee of the principal amount due under the Loan Documents, with interest now due or hereafter to become due, and of all monetary obligations of the Assignee under and pursuant to the Loan Documents, the Assignor hereby assigns to the Assignee all of the rents, profits and issues due and to become due from the Property, together with all documents, leases, agreements, service contracts and insurance policies affecting the Property.

**1. RENTS.** Upon Assignor's default under the Loan Documents, Assignee shall have the power and authority to enter upon and take possession of the Premises and to demand, collect and receive from the tenants, lessees or parties in possession of the Property or part thereof, rents now due or to become due; to endorse Assignor's name to or any subsequent owner of the Premises, on any checks, notes or any other instruments for the payment of money; to deposit same in Assignee's accounts; to give any and all instruments in connection thereof in Assignor's name or in the name of Assignee; to institute, prosecute, settle or discontinue any summary or other legal proceedings for the recovery of rents or profits or to recover the whole or part of the Property; to institute, prosecute, settle or discontinue any other legal proceeding for the protection and security of the Property, for damages sustained to the Property or for any other cause or for the abatement of any nuisance thereon. Assignee shall also have the right and power to defend any legal proceeding brought against Assignor or any subsequent owner of the Premises arising out of the operation of the Property.

**2. AUTHORITY TO LEASE.** Upon the default by Assignor under the Loan Documents, Assignee shall have the right, power and authority to lease of rent the Property or any part thereof; to employ an agent to manage and rent the Property, to make any and all improvements to the Premises deemed solely by assignee to be necessary for the leasing of the Property, to maintain and deep the Property in a rentable condition and in a good

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state of repair, to purchase any and all supplies, materials and equipment deemed necessary by Assignee in the continued operation and maintenance of the Property, to pay all utilities, taxes and assessments for the Property now due and to become due which are or may become liens against the Property, to pay the principal and interest which are or may become due under the Loan Documents, to pay the premiums on all insurance policies affecting the Property which are or may become due, to comply with all orders or notices of any governmental authority having jurisdiction over the Property, to discharge Mechanics Liens or any other interest or liens filed against the Property either by payment to the lienor or by filing with the appropriate court a bond pursuant to court order, and to pay all charges and expenses incurred in the operation of the Property.

**3. EXPENSES.** The Assignee shall have the authority, which is expressly given by the Assignor, to pay for all matters from the rents and revenues collected from the Property. These costs and expenses and any other payment made by Assignee in connection with the operation of the Property, including reasonable attorneys' fees, shall be a charge to Assignor and for any and all purposes shall be deemed to be secured by the Loan Documents and may be deducted from the rents and profits received from the operation of the Property.

**4. ASSIGNEE'S LIABILITY.** Except for the willful malfeasance or gross negligence of Assignee, the Assignee shall not be liable for an act or omission but shall only be liable to account for moneys received by Assignee. Notwithstanding the foregoing, nothing herein contained shall be deemed to prejudice Assignee's rights to institute and prosecute the foreclosure of the Mortgage or to enforce any lien or other collateral which the Assignee has or to prejudice any other right of Assignee which may arise due to Assignor's default under the Loan Documents.

**5. ASSIGNMENT OF LEASES UPON DEFAULT.** In the event of a default under the Loan Documents, Assignor hereby assigns and transfers to Assignee all of the leases and subleases, if any, made to the occupants of the Property and all of its right, title and interest to the security stated in those leases and subleases and the Assignor further authorizes and empowers Assignee to honor the terms, conditions and provisions of the leases and subleases or to rent any one or more of the units in the Property upon such terms, conditions and provisions as Assignee, in its sole discretion deems prudent and to execute any and all documents necessary to accomplish that end. Assignee shall have the full power and authority to do any and all acts with respect to the Property as the Assignor might or be permitted to do, with full power and substitution and Assignor hereby expressly ratifies and confirms those acts which might be done by Assignee.

**6. LEASE MODIFICATIONS.** Assignor will not, except if expressly permitted in the Loan Documents, without the prior written consent of Assignee cancel, modify or surrender any lease now or in the future existing with respect to any portion of the Property; abate or reduce any rent due under any lease; modify, alter or amend any of the terms, provisions and conditions of any lease; and/or execute any new lease for any portion of the Property.

**7. ACCOUNTABILITY.** Assignee, except for its acts of gross negligence or willful misconduct, shall not be liable or responsible in any way for the failure to account or fraud or defalcation of rents received by Assignee's agent designated to manage the Property or collect the rents. Assignee shall in no way be liable for its failure or refusal to make repairs to the Property nor for any debt incurred in connection with the operation of the Property.

**8. DEFAULT.** Notwithstanding anything to the contrary contained in this Collateral Assignment of Rents and Leases, the default provisions contained in the Loan Documents shall in no way be affected by the terms, provisions and conditions contained in this document.

**9. ASSIGNEE'S RIGHT IN THE COLLATERAL.** This Collateral Assignment of Rents and Leases supplements the Loan Documents. It is expressly agreed by the parties hereto that the rights and powers given to

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Assignee contained in this document shall in no way prejudice or estop the Assignee in the exercise of the rights afforded to it in the Loan Documents or against any other collateral of Assignor that Assignee may have.

**10. SURPLUS.** Except as required by law, Assignee may but shall be under no obligation to do so, turn over to the Assignor any surplus moneys which the Assignee may have after paying all expenses incurred in connection with the operation of the Property and establishing a reserved fund necessary for the payment of fixed charges due or to become due for such time as Assignee, in its sole discretion deems reasonable. The tender by Assignee to Assignor of surplus money on one occasion shall not obligate Assignee to tender surplus money thereafter.

**11. FURTHER ASSIGNMENT BY LESSEE.** The Assignee may assign all of its right, title and interest in and to this Collateral Assignment of Rents and Leases to any person or entity to whom the Loan Documents are assigned and upon such assignment, the holder of the Loan Documents shall have all the rights and powers contained herein as if an original party hereto.

**12. CONSENT.** Should the Assignor be a corporation, the Assignor hereby expressly certifies that this Assignment was approved and authorized by the board of directors of such corporation and that there is no requirement under the corporation's certificate of incorporation or by-laws that require the consent of the shareholders. Should the Assignor be a partnership or limited liability company, the execution and delivery of this Collateral Assignment of Rents and Lease have been duly approved by its partners or members.

**13. DESCRIPTION OF PREMISES.** The Property is more particularly described on Exhibit A which is attached hereto and made a part hereof.

**14. SATISFACTION OF UNDERLYING DEBT.** Upon the payment in full of all indebtedness secure by the Loan Documents, Assignee shall execute and deliver, in recordable form a release of this Collateral Assignment of Rents and Leases.

**15. ASSIGNOR'S COLLECTION OF RENTS.** Provided that Assignor is not in default under the Loan Documents, Assignor shall have the right to collect, but not more than thirty (30) days prior to accrual, all rents, issues and profits from the Property and to retain, use and enjoy same.

**16. AGREEMENT BINDING.** This Collateral Assignment of Rents and Leases shall be binding on the Assignor and its successors and assigns and shall inure to the benefit of Assignee, its successor and assigns. This Collateral Assignment of Rents and Leases may not be changed orally but only by an agreement in writing signed by the parties hereto.

**17. GOVERNING LAW.** The terms and provisions of this Collateral Assignment of Rents and Leases shall be governed by the laws of the State of Illinois.

**18. PRIOR ASSIGNMENT.** Assignor represents and warrants that it is the owner in fee of the Property and has not executed any prior assignment or pledge of any of its rights, or are its rights encumbered, with respect to the leases assigned hereunder, or any of the rents, oncome or profits due or to become due from the Property, except as are encumbered by the Loan Documents. Assignor further represents and warrants that it shall not assign, pledge or encumber the leases to any party or entity during the terms of this Collateral Assignment of Rents and Leases.

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**IN WITNESS WHEREOF**, the Assignor has executed this Collateral Assignment of Rents and Leases the date and year first written above.

**EMERSON FIVE LLC**

By: [Signature]  
Its: MANAGER AUN B. PAUL

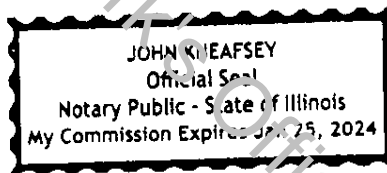
STATE OF ILLINOIS )  
                              ) SS  
COUNTY OF COOK )

The undersigned, being a notary public in and for, and residing in said County, in the State aforesaid, DO HEREBY CERTIFY, that AUN B. PAUL, personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, his 10 day of March, 2021.

[Signature]  
Notary Public

This instrument was prepared by Kevin J. Rielley, Esq., 311 Wesley Avenue, Evanston, Illinois 60202



**MAIL TO:** Kevin J. Rielley  
311 Wesley Avenue  
Evanston, IL 60202

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## EXHIBIT A

Lot 35 in De Zengs Logan Square Subdivision of Block 3 In Garretts Subdivision of part of the East 1/2 of the Southeast 1/4 of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois

PIN: 13-26-420-022-0000

Commonly known as: 2501 N. Kimball Avenue, Chicago, IL 60647

Property of Cook County Clerk's Office