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COLLATERAL ASSIGNMENT
OF LEASES

between

THE JDC-TISHMAN CHICAGO
HOTEL COMPANY

and

LASALLE NATIONAL BANK
(together, Assignor)

and

SUMITOMO LIFE REALTY (N.Y.), INC.
(Assignee)

STI 88-03004

Property of Cook County Clerk's Office

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Dated as of January 14, 1986

MAIL TO:

Box 77

Attn: Sim C.

TABLE OF CONTENTS
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<u>Section</u>	<u>Page</u>
Recitals	1
1. Collection of Rents	2
2. Representations and Warranties of Beneficiary; Representations of Trustee	2
3. Assignor's Covenants	2
4. Purpose	4
5. Vesting of Title in Leases	5
6. No Liability	5
7. Default	6
8. Limitations on this Assignment	7
9. Lease Extensions, Modifications and Renewals	7
10. Successors and Assigns	7
11. Effect of the Mortgage	7
12. Rights of Assignee	7
13. Exoneration	8
14. Non-Recourse	8
15. Notices	9
16. Defined Terms	9
Signatures	9
Consent and Agreement	9
<u>Exhibits</u>	
A Leases	
B Legal Description	

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COLLATERAL ASSIGNMENT OF LEASES

FOR VALUE RECEIVED, the undersigned, **THE JDC-TISHMAN CHICAGO HOTEL COMPANY**, an Illinois partnership having its principal office at 225 North Michigan Avenue, Suite 300, Chicago, Illinois 60601 ("Beneficiary") and **LASALLE NATIONAL BANK**, a national banking association, not personally but as trustee under a Trust Agreement dated September 20, 1985, and known as Trust No. 110339 ("Trustee"; Beneficiary and Trustee are hereinafter collectively referred to as "Assignor") hereby assign, transfer and set over to **SUMITOMO LIFE REALTY (N.Y.), INC.**, a New York corporation, having its principal office at 200 Park Avenue, New York, New York 10166 ("Assignee"), all right, title and interest of the Assignor in and to (i) the Leases described on Exhibit A hereto, and (ii) all leases, whether ground or space and whether now or hereafter affecting the premises described on Exhibit B hereto (the "Premises"), including without limitation, all equipment leases, licenses, concessions and other similar agreements relating to or connected with the Project (as defined in the Loan Agreement hereinafter referred to; the interests referred to in clauses (i) and (ii) together with all modifications, extensions and renewals thereof being hereinafter collectively referred to as the "Leases"), together with all rents payable under the Leases and all benefits and advantages to be derived therefrom to hold and receive them unto Assignee, and together with all rights against guarantors, if any, of the obligations of each lessee ("Lessee") under the Leases.

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1. Collection of Rents

Assignor does hereby empower Assignee, its agents or attorneys, to collect, sue for, settle, compromise and give acquittances for all of the rents that may become due under the Leases and avail itself of and pursue all remedies for the enforcement of the Leases and Assignor's rights in and under the Leases as Assignor might have pursued but for this Assignment of Leases (this "Assignment").

2. Representations and Warranties of Beneficiary;
Representations of Trustee

Trustee represents and Beneficiary represents and warrants that as of the date hereof: (i) the Leases are in full force and effect; (ii) Assignor has not heretofore assigned or pledged the same or any interest therein, and no default exists on the part of any Lessee, or the Assignor, as lessor, in the performance of the terms, covenants, provisions or agreements contained in the Leases; (iii) Assignor knows of no condition which with the giving of notice or the passage of time or both would constitute a default on the part of Assignor or any Lessee; (iv) no rent has been paid by any Lessee for more than one month in advance, and no payment of the rents to accrue under the Leases has been or will be waived, released, reduced, discounted or otherwise discharged or compromised by Assignor; and (v) no security deposit has been made by any Lessee under the Leases except as shown on Exhibit A.

3. Assignor's Covenants

Assignor agrees:

(a) that the Leases shall remain in full force and effect irrespective of any merger of the interest of the Assignor and Lessee thereunder;

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-3-
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(b) that except as may be permitted pursuant to the terms of the Loan Agreement (as hereinafter defined), it will not terminate, modify or amend any of the Leases or any of the terms thereof, or grant any concessions in connection therewith, either orally or in writing, or accept a surrender thereof without the written consent of Assignee and that any attempted termination, modification or amendment of any of the Leases without such written consent shall be null and void;

(d) that it will not collect any of the rent, income and profits arising or accruing under any of the Leases in advance of the time when the same become due under the terms thereof, except as permitted by the Mortgage (as hereinafter defined);

(e) that it will not discount any future accruing rents;

(f) that it will not execute any other assignments of any of the Leases or any interest therein or any of the rents thereunder except as may be permitted by the Mortgage;

(g) that it will perform all of Assignor's covenants and agreements as lessor under the Leases and not suffer or permit to occur any release of liability of any Lessee, or give any right to a Lessee to withhold payment of rent; and it will give prompt notices to Assignee of any notice of default on the part of Assignor with respect to the Leases received from any Lessee thereunder, and furnish Assignee with complete copies of said notices;

(h) that it will, if so requested by Assignee, enforce the Leases and all remedies available to Assignor against any Lessee, in case of default under any of the Leases by any Lessee;

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(i) that none of the rights or remedies of Assignee under the Mortgage shall be delayed or in any way prejudiced by this Assignment;

(j) that notwithstanding any variation of the terms of the Mortgage or any extension of time for payment thereunder or any release of part or parts of the lands conveyed thereunder, the Leases and benefits hereby assigned shall continue as additional security in accordance with the terms hereof until the indebtedness secured hereby is repaid in full;

(k) that it will not alter, modify or change the terms of any guarantees of any of the Leases or cancel or terminate such guarantees without the prior written consent of Assignee;

(l) that it will not consent to any assignments of any of the Leases, or any subletting thereunder, except in accordance with their respective terms or as permitted by the Mortgage, without the prior written consent of Assignee unless Assignor would be authorized at the time of the assignment or sublease under the terms of the Loan Agreement to enter into a lease with such proposed assignee or sublessee without Assignee's consent on the terms and conditions contained in the applicable Lease; and

(m) that it will not consent to, agree to or accept a subordination of any of the Leases to any mortgage or other encumbrance now or hereafter affecting the Premises except for the Mortgage.

4. Purpose

This Assignment is given as additional security for the payment of the note of Trustee of even date herewith in the principal sum of \$ 68,000,000 (the "Note") held by Assignee, all sums due under that certain Loan Agreement dated as of December 9, 1985, between Assignor and Assignee (as the same may be amended or supplemented at any time, the "Loan Agreement") and all other sums secured by

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the mortgage (the "Mortgage") of even date herewith from Trustee to Assignee, as mortgagee, covering the Premises. The security of this Assignment is and shall be primary and on a parity with the real estate conveyed by the Mortgage and not secondary. All amounts collected hereunder, after deducting the expenses of operation of the Premises and after deducting the expenses of collection, shall be applied on account of the indebtedness secured by the Mortgage, or in such other manner as may be provided for in the Mortgage, or in any general assignment of rents given as additional security for said indebtedness. Nothing herein contained shall be construed as constituting Assignee a trustee or mortgagee in possession.

5. Vesting of Title in Leases

Upon issuance of a deed or deeds pursuant to foreclosure of the Mortgage, all right, title and interest of Assignor in and to the Leases shall, by virtue of this instrument, thereupon vest in and become the absolute property of the grantee or grantees in such deed or deeds without any further act or assignment by Assignor. Assignor hereby irrevocably appoints Assignee and its successors and assigns, as its agent and attorney in fact, to execute all instruments of assignment for further assurance in favor of such grantee or grantees in such deed or deeds, as may be necessary or desirable for such purpose.

6. No Liability

In the exercise of the powers herein granted Assignee, no liability shall be asserted or enforced against Assignee, all such liability being hereby expressly waived and released by Assignor. Assignee shall not be obligated to perform or discharge any obligation, duty or liability under any of the Leases, or under or by

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reason of this Assignment, and Assignor shall and does hereby agree to indemnify Assignee for and to hold it harmless from and against any and all liability, loss or damage which it may or might incur under any of the Leases or under or by reason of this Assignment and from and against 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 any of the Leases. Should Assignee incur any such liability, loss or damage under any of the Leases or under or by reason of this Assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Assignor shall reimburse Assignee therefor immediately upon demand.

7. Default

Although it is the intention of the parties that this instrument shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Assignee shall not exercise any of the rights or powers herein conferred upon it until a default shall occur under the terms and provisions of this Assignment or of the Note, the Loan Agreement, the Mortgage, or any other Loan Documents (as defined in the Loan Agreement) and any applicable grace period, if any, has expired, but upon the occurrence of any such default and passage of any applicable grace period, Assignee shall be entitled, upon notice to any Lessee, to all rents and other amounts then due under the Leases and thereafter accruing, and this Assignment shall constitute a direction to and full authority to any Lessee to pay all such amounts to Assignee without proof of the default relied upon. Each Lessee is hereby irrevocably authorized to rely upon and comply with (and shall be fully protected in so doing) any notice or

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demand by Assignee for the payment to Assignee of any rental or other sums which may be or thereafter become due under the Leases, or any of them, or for the performance of any of the Lessees' undertakings under the Leases and shall have no right or duty to inquire as to whether any default under the Mortgage has actually occurred or is then existing.

8. Limitations on this Assignment

This Assignment is intended to be supplementary to and not in substitution for or in derogation of any assignment of rents to secure said indebtedness contained in the Mortgage or in any other document.

9. Lease Extensions, Modifications and Renewals

This Assignment shall include any extensions, modifications and renewals of the Leases, and any reference herein to the Leases shall be construed as including any such extensions, modifications and renewals.

10. Successors and Assigns

This instrument shall be binding upon and inure to the benefit of the partners hereto and their respective successors and assigns. The words "Assignor," "Assignee" and "Lessee" wherever used herein, shall include the persons named herein and designated as such and their respective successors and assigns, and all words and phrases shall be taken to include the singular or plural and masculine, feminine or neuter gender, as may fit the case.

11. Effect of the Mortgage

The grace period and notice provisions of the Mortgage shall be applicable to any default hereunder.

12. Rights of Assignee

All of the rights, powers, privileges and immunities herein granted and assigned to Assignee shall also inure to its successors and assigns, including all holders, from time to time, of the Note.

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13. Exoneration

This Assignment is executed by LaSalle National Bank, not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Trustee hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Trustee, personally to pay any amount payable hereunder or any interest that may accrue thereon or to perform any covenant either express or implied herein contained, it being understood and agreed that each of the provisions hereof, except the warranty hereinabove contained in this execution clause, shall constitute a condition and not a covenant or agreement, regardless of whether the same may be couched in language of a promise or covenant or agreement, all such liability, if any, being expressly waived by Assignee and by every person now or hereafter claiming any right hereunder.

14. Non-Recourse

It is expressly understood and agreed that nothing herein contained shall be construed as creating any liability of Beneficiary or any partner of the Beneficiary, personally to pay the Loan (as defined in the Loan Agreement) or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied contained in the Mortgage or this Assignment, all such liability, if any, being expressly waived by Assignee, and that so far as said partners and their successors and assigns are concerned, Assignee in enforcing this Assignment shall look solely to any one or more of: (1) the property, real and personal, encumbered by the Mortgage and this Assignment and the rents.

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issues and profits thereof, for the payment thereof; or (2) any other security given to secure said indebtedness; or (3) the Deficiency Deposit (as defined in the Loan Agreement), but nothing herein contained shall be construed to relieve Beneficiary of any personal liability for fraud or breach of trust (including misapplication of Loan proceeds hereunder or any insurance proceeds or condemnation awards that may come into Assignor's possession or control) or to prevent Assignee from exercising any other remedy allowed by law or statute or by the terms of the Mortgage or this Assignment or any additional loan or security instruments given in connection with the Loan Agreement, to enforce the terms of the Loan Agreement, the Note, the Mortgage, this Assignment or other loan or security instruments which do not relate to or result in an obligation to pay money or the enforcement of a judgment against Beneficiary (other than against Beneficiary's assets) or the partners thereof; provided, however, in no event will Tishman Realty Corporation of Chicago or an affiliate thereof be liable for fraud or breach of trust caused by Japan Air Lines Development (U.S.A.), Inc. or Beneficiary.

15. Notices

All notices, demands and requests hereunder shall be in writing and shall be deemed to have been properly given if sent or delivered in accordance with the provisions of the Mortgage.

16. Defined Terms

Terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

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IN WITNESS WHEREOF, LaSalle National Bank, not personally but as Trustee, as aforesaid, has caused these presents to be executed by its VICE PRESIDENT and attested by its _____ and its corporate seal to be hereunto affixed, and Beneficiary has executed this Agreement as of the 14th day of January, 1986.

TRUSTEE:

LASALLE NATIONAL BANK,
not personally, but as Trustee,
as aforesaid

By: 

Name: JOSEPH W. LANG
Title: VICE PRESIDENT

ATTEST:

By: 

Name: James A. Clark
Title: Assistant Secretary

BENEFICIARY:

THE JDC-TISHMAN CHICAGO HOTEL
COMPANY, an Illinois general partnership

By: Japan Air Lines Development
(U.S.A.), Inc., authorized partner

By: 

Name: Fumio Kanto
Title: Secretary

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By: Tishman Realty Corporation of
Chicago, authorized partner

By: Guy D. Lawrence
Name: Guy D Lawrence
Title: Vice President

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STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, Caral A. Green, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Fumio Kanto, Secretary of JAPAN AIR LINES DEVELOPMENT (U.S.A.), INC., a Delaware corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Secretary, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth; and as a general partner of THE JDC-TISHMAN CHICAGO HOTEL COMPANY, an Illinois general partnership.

GIVEN under my hand and Notarial Seal, this 17th day of January, 1986

Caral A. Green
Notary Public

My Commission Expires: 7/19/89

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Notary of Cook County Clerk's Office

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STATE OF ILLINOIS)
COUNTY OF Cook) SS.

I, Carol A. Green, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Mary B. Lawrence, Vice President of TISHMAN REALTY CORPORATION OF CHICAGO, an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth; and as a general partner of THE JDC-TISHMAN CHICAGO HOTEL COMPANY, an Illinois general partnership.

GIVEN under my hand and Notarial Seal, this 17th day of January, 1986

Carol A. Green
Notary Public

My Commission Expires: 7/19/89

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Notary of Cook County Clerk's Office

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CONSENT AND AGREEMENT

to

Lease listed in Exhibit A

The undersigned, HOTEL NIKKO OF CHICAGO, INC., the Lessee under the Hotel Operating Lease for the Nikko Chicago Hotel which Lease was assigned under the foregoing Assignment, hereby acknowledges receipt of a copy of (and due notice of the assignment made by), and hereby consents to, the foregoing Assignment and irrevocably agrees, that

- (i) upon notice from Assignee the undersigned will make payment of all monies due and to become due under or pursuant to said Lease directly to the Assignee (or such other person or place or with such instructions as said Assignee may designate in writing to the undersigned), in lawful money of the United States of America, until receipt of written notice from said Assignee that all obligations secured by said Assignment have been paid in full,
- (ii) the undersigned will not permit any amendment, modification or other alteration in said Lease without the prior written consent of said Assignee,
- (iii) the Lease is subordinate to the rights and remedies conferred on the Assignee by the terms of a certain real estate Mortgage in favor of the Assignee dated as of January 14, 1986 and the enforcement of any such right shall not constitute interference with or breach of the Lease, and
- (iv) in the event that said Assignee shall take possession of the Premises or a new owner shall take possession of the Premises pursuant to such Mortgage, the Assignee or such new owner shall be entitled to perform the Lease and enforce the obligations of the undersigned in the same manner as the Assignor and the undersigned shall not be entitled to terminate the Lease by virtue of such change in ownership or control of the Premises.

IN WITNESS WHEREOF, the undersigned has caused this Consent and Agreement to be duly executed by its duly authorized representative as of the 14th day of January, 1986.

HOTEL NIKKO OF CHICAGO, INC.

By:

Y. S. S. S.
Name: Yoshiaki Iyoshi
Title: Secretary and Treasurer

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EXHIBIT A

1. Hotel Operating Lease, dated as of January 14, 1986, by and between LaSalle National Bank, not personally but solely as Trustee under the Trust Agreement, dated September 20, 1985, and known as Trust No. 110339 ("Trustee"), and The JDC-Tishman Chicago Hotel Company, an Illinois partnership, being the sole beneficiary of Trust No. 110339 ("Beneficiary"; Trustee and Beneficiary collectively referred to as "Lessor"), and Hotel Nikko of Chicago, Inc., an Illinois corporation ("Lessee").

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EXHIBIT B

LEGAL DESCRIPTION

Parcel 1

That part of Block 2 in Original Town of Chicago in Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, at and below the horizontal plane of +50.00 feet above Chicago City Datum bounded and described as follows:

Beginning at the point of intersection of the West line of North Dearborn Street (also being the East line of Lots 1 and 8 in said Block 2) and the North line of the Chicago River, as occupied; thence West along the North line of said Chicago River, as occupied, a distance of 187.48 feet to a point on a line 134.10 feet East (as measured at right angles) of and parallel with the East line of North Clark Street; thence North along said line (said line also being the East face of an existing concrete foundation wall and its Northerly and Southerly extension thereof) a distance of 305.09 feet; thence East at right angles to the last described line a distance of 187.37 feet to a point on the West line of said North Dearborn Street; thence South along the West line of said North Dearborn Street a distance of 311.60 feet to the point of beginning in Cook County, Illinois. Containing 57,774 square feet or 1.3283 acres.

Parcel 2

That part of Block 2 in Original Town of Chicago in Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, at and above the horizontal plane of +50.00 feet above Chicago City Datum bounded and described as follows:

Beginning at the point of intersection of the West line of North Dearborn Street (also being the East line of Lots 1 and 8 in said Block 2) and the North line of the Chicago River, as occupied; thence West along the North line of said Chicago River, as occupied, a distance of 185.48 feet to a point on a line 136.10 feet East (as measured at right angles) of and parallel with the East line of North Clark Street; thence North along said line a distance of 305.10 feet; thence East at right angles to the last described line a distance of 185.37 feet to a point on the West line of said North Dearborn Street; thence South along the West line of said North Dearborn Street a distance of 311.60 feet to the point of beginning in Cook County, Illinois. Containing 57,164 square feet or 1.3123 acres.

Parcel 3

Easements appurtenant to and for the benefit of Parcel 1 and Parcel 2 as described in the Easement and Operating Agreement dated as of January 14, 1986 among LaSalle National Bank, as Trustee under the Trust Agreement dated March 1, 1985 and known as Trust No. 109495, LaSalle National Bank as Trustee under Trust Agreement dated June 29, 1981 and known as Trust No. 104102, Oxford Properties, Inc. and Borrower and recorded immediately prior hereto.

Prop Add: South of Kinzie, West of Dearborn, North of the Chicago River, Chgo, IL

PIN: 17-09-408-008, 17-09-409-001, 002, 003

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Parcel 4

Easements appurtenant to and for the benefit of Parcel 1 and Parcel 2 as described in the Parking Agreement dated as of January 14, 1986 among LaSalle National Bank, as Trustee under the Trust Agreement dated March 1, 1985 and known as Trust No. 109495, LaSalle National Bank as Trustee under Trust Agreement dated June 29, 1981 and known as Trust No. 104102, Oxford Properties, Inc. and Borrower and recorded immediately prior hereto.

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