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## SPECIFIC ASSIGNMENT OF LEASES AND RENTS

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THIS SPECIFIC ASSIGNMENT OF LEASES AND RENTS, is made this <sup>57<sup>e</sup></sup> day of May, 1986 by and between LA SALLE NATIONAL BANK, a National Banking Association, not personally, but as Trustee under Trust Agreement dated December 1, 1972 and known as Trust No. 45086 ("Trust"), whose address is 135 South LaSalle, Chicago, Illinois 60690, and ALBERT ZALE AND EDWARD ZALE, owners of one hundred percent (100%) of the beneficial interest of Trust ("Beneficiary"), Trust and Beneficiary hereinafter collectively referred to as "Assignor", and GNA LIFE INSURANCE COMPANY, an Oklahoma Corporation whose address is Suite 3300, One Union Square, Seattle, Washington, hereinafter referred to as "Assignee";

### W I T N E S S E T H:

That Assignor has, simultaneously with the execution of this Specific Assignment of Leases and Rents, executed and delivered to Assignee, its Adjustable Rate Mortgage Note ("Note") of even date herewith, payable to the order of Assignee, in the principal sum of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) ("Loan") and, as security therefor, executed and delivered to Assignee its Mortgage ("Mortgage"), of even date herewith, conveying the land legally described as follows ("Land"):

Unit No. 5 Brandenberry Park East by Zale being a Subdivision of the South East 1/4 of Section 21, Township 42 North, Range 11 East of the Third Principal Meridian (excepting therefrom that part described as follows): Commencing at the South East Corner of said Unit 5, thence West on the South Line of said Unit 25.00 Feet to the Point of Beginning of this exception, thence continuing West on the South Line of said Unit 149.25 Feet to the South West Corner of said Unit, thence Northwesterly on the Southwesterly Line of said Unit 152.0 Feet, thence North at Right Angles to the Southwesterly Line of said Unit 80.0 Feet to its intersection with a Line 160.52 Feet North of and parallel to the South Line of said Unit, thence East on said Parallel Line 81.89 Feet to its intersection with a Line 134.15 Feet Northeasterly of and Parallel with the Southwesterly Line of said Unit, thence Southerly on said Parallel Line 170.17 Feet thence South 48.0 Feet to the Point of Beginning in Cook County, Illinois.

Property Address: 2300-2336 Rand Road, Arlington Heights, Illinois  
 Permanent Property Tax Number: 03-21-402-013-0000 Volume 232

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and the improvements thereon ("Improvements").

That Assignor is the landlord under lease agreements with occupancy tenants of Land and Improvements ("Tenants"), as follows (collectively "Leases"):

This Instrument Was Prepared By:  
 R. J. WALSHLAGER  
 First Interstate Mortgage Company of Illinois  
 111 W. Washington Street  
 Chicago, Illinois 60602

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BOX 347

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<u>Lessee</u>	<u>Date of Lease</u>	<u>Lease Term</u>
The Southland Corporation Phillip Porpora and Michael Porpora	June 27, 1969	25 Years
Silvio Fanella	September 16, 1980	3 Years
C.C.L. Enterprises Inc.	January 26, 1983	6 Years
Sam Sgarlata and John Sgarlata	April 19, 1983	2 Years
Pak Enterprises, Ltd.	November 14, 1983	2 Years
Rainy Day People	February 1, 1984	7 Years
George Hernandez	May 1, 1984	5 Years
Maurice L. Rothschild and Co.	October 1, 1984	1 Years
Joseph & Eileen Lucas	November 3, 1985	3 Years
Analytics, Inc.	January 1, 1983	16 Months
Suburban North Beauty Supply, Inc.	August 30, 1985	1 Years
Rob Marino	September 16, 1985	5 Years
Zale Construction Company	April 1, 1986	1 Years

That Assignor, as a condition precedent to making Loan to Assignor has requested Assignor to assign all of its right, title and interest in and to Leases as additional security for the payment of Loan, and the interest and all other sums due and owing to Assignee pursuant to Note (collectively "Indebtedness").

NOW, THEREFORE, in consideration of the disbursement of the proceeds of Loan by Assignee and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Assignor:

1. Hereby grants a security interest in and sells, assigns, transfers and sets over unto Assignee one hundred percent (100%) of Assignor's right, title and interest in and to Leases, together with all rents, income or other sums payable by the provisions thereof ("Rents") and, at the option of Assignee, all future lease agreements which may be executed by Assignor, as Landlord, with occupancy tenants of Land and Improvements ("Future Tenants") at any time hereafter ("Future Leases") and all rents, income or other sums payable by the provisions thereof ("Future Rents").

2. Agrees that this Assignment is made for the purpose of securing the payment of Indebtedness and the performance and discharge of each and every obligation, covenant and agreement required of Assignor pursuant to Note, Mortgage and Other Loan Documents (as that term is defined in Note) executed and delivered to secure Indebtedness (collectively "Loan Documents").

3. Represents and warrants that as of the date hereof:

- a) Assignor is the sole owner of one hundred percent (100%) of Landlord's right, title and interest in and to Leases;
- b) Leases are valid and enforceable and have not been altered, modified or amended, since the date the Leases were delivered to Assignee;
- c) to the best of its knowledge, Tenants are not in default in the performance of any of the terms, covenants, conditions or agreements required of them pursuant to Leases;
- d) no part of Rents reserved in Leases has been previously assigned, and no part of Rents, for any period subsequent to the date hereof, except for the current month, has been collected in advance of the due date thereof.

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4. Shall observe and perform all of the obligations imposed upon Assignor, as Landlord, pursuant to Leases and Future Leases and shall:

- a) not do or permit any act or occurrence which would impair the security thereof;
- b) not collect any part of Rents or Future Rents in advance of the time when the same shall become due excluding security deposits;
- c) not execute any other assignment of Assignor's interest, as Landlord, in Leases, Future Leases, Rents or Future Rents, without Assignee's prior written consent;
- d) not alter, modify or change the terms and conditions of Leases or Future Leases, cancel or terminate the same or accept a surrender thereof, other than in the normal course of business, without the prior written consent of Assignee;
- e) at Assignee's request, execute and deliver all such further assurances and assignments as Assignee shall, from time to time, require concerning said Leases and Future Leases;
- f) not execute lease agreements having a lease term of more than five (5) years.

5. Shall have the right, so long as there shall exist no Monetary Default or Non-Monetary Default (as said terms are defined in Note) to collect Rents and Future Rents, when due but not prior thereto, and retain, use and enjoy the same.

6. Agrees that, any time following a Monetary or Non-Monetary Default, Assignee may, at its option, either in person or through its agent or a receiver appointed by a court of competent jurisdiction, without notice, without, in any way, waiving such Monetary Default or Non-Monetary Default, and without regard to the adequacy of the security for Indebtedness and with or without instituting any action or proceeding:

- a) take possession of Land and Improvements and hold, manage, lease and operate the same on such terms and for such periods of time as Assignee may deem proper;
- b) with or without taking possession of Land and Improvements, in its own name, institute suit or otherwise collect and receive Rents and Future Rents, including Rents and Future Rents past due and unpaid, with full power to make, from time to time, all alterations, renovations, repairs or replacements thereto or thereof as Assignee may deem proper;
- c) apply Rents and Future Rents to the payment of:
  - i) all costs and expenses incurred in managing Land and Improvements (including, but not limited to, the salaries, fees and wages of the managing agent thereof and other employees of Assignor);
  - ii) all expenses of operating and maintaining Land and Improvements (including, but not limited to, all taxes, charges, claims, assessments, water rents, sewer rents and other liens and premiums for all insurance coverages which Assignee may deem necessary);
  - iii) all costs of alteration, renovation, repair or replacement of Land and Improvements;

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- iv) all expenses incident to the taking and retaining of possession thereof; and
- v) Indebtedness and all costs, expenses and attorneys' fees incurred by Assignee by reason hereof;

and apply the same in such order of priority as Assignee, in its sole discretion, may determine, any statute, law, custom or use to the contrary notwithstanding.

7. Agrees that Assignee shall not be:

- a) liable for any loss sustained by Assignor resulting from Assignee's failure to let Land and Improvements following the occurrence of a Monetary Default or Non-Monetary Default by reason of any other act or omission of Assignee in managing Land and Improvements after such Monetary Default or Non-Monetary Default, other than any loss or damage which may be incurred by Assignor by reason of Assignee's negligence or acts and deeds following the exercise of Assignee's rights pursuant hereto or pursuant to leases and Future Leases.
- b) obligated to perform or discharge, nor does Assignee hereby undertake to perform or discharge, any obligation, duty or liability of Assignor pursuant hereto or pursuant to Leases and Future Leases and Assignor shall and does hereby agree to indemnify Assignee for, and hold Assignee harmless from, any and all liability, loss or damage which may or might be incurred by reason thereof and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants, conditions and agreements required of Assignor pursuant hereto or pursuant to Leases and Future Leases; PROVIDED, HOWEVER, that such indemnification shall not include any liability, loss or damage which may be incurred by Assignee by reason of its negligence or acts and deeds following the exercise of Assignee's rights pursuant hereto or pursuant to Leases and Future Leases.

If Assignee incurs any liability pursuant hereto or pursuant to Leases and Future Leases or in defense of any such claim or demand, the amount thereof, including costs, expenses and reasonable attorneys' fees (exclusive of any costs, expenses and attorneys' fees incurred by Assignee by reason of its acts and deeds following the exercise of Assignee's rights pursuant hereto or pursuant to Leases and Future Leases), shall be secured by Mortgage and Assignor shall reimburse Assignee therefor, immediately upon demand. In the event of the failure of Assignor so to do Assignee may, at its option, declare Indebtedness immediately due and payable.

8. Agrees that this Assignment shall not operate to place upon Assignee any responsibility, prior to the exercise of Assignee's rights pursuant hereto, for the control, care, management or repair of Land and Improvements or for the performance of any of the terms, covenants, conditions and agreements required of Assignor, as Landlord, pursuant to Leases and Future Leases nor is the same intended to make Assignee responsible or liable for any:

- a) waste committed on Land and Improvements by Tenants, Future Tenants or any other party;
- b) dangerous or defective condition of Land and Improvements; or

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- c) negligence in the management, upkeep, repair or control of Land and Improvements resulting in loss, injury or death to any Tenant, Future Tenant, licensee, employee or stranger.

9. Agrees that any affidavit, certificate, letter or statement of any officer, agent or attorney of Assignee, setting forth that any part of Indebtedness remains unpaid, shall be and constitute conclusive evidence of the validity, effectiveness and continuing force and effect of this Assignment (all persons being hereby authorized to rely thereon). Assignor hereby authorizes and directs Tenants, Future Tenants or other occupants of Land and Improvements, upon receipt from Assignee of written notice to the effect that Assignee is then the holder of Loan Documents and that a Monetary Default or Non-Monetary Default exists pursuant thereunder or pursuant thereto, to pay Rents and Future Rents to Assignee until otherwise notified by Assignee, in writing, to the contrary.

10. Agrees that Assignee may take or release any other security given for the payment of Indebtedness, release any party primarily or secondarily liable therefor and apply any other security, in its possession, to the satisfaction of Indebtedness, without prejudice to any of its rights pursuant hereto.

11. Agrees that the terms "Leases" and "Future Leases" shall include any subleases thereof and all extensions or renewals of Leases, Future Leases and subleases thereof.

12. Agrees that nothing contained herein and no act done or omitted to be done by Assignor pursuant to the powers and rights granted to it hereunder shall be deemed to be a waiver by Assignor of its rights and remedies pursuant to Loan Documents and this Assignment is made without prejudice to any of the rights and remedies possessed by Assignee thereunder. The right of Assignee to collect Indebtedness and to enforce any security therefor in its possession may be exercised by Assignee either prior to, concurrently with or subsequent to any action taken by it pursuant hereto.

13. Agrees that any notices to be served pursuant hereto shall be deemed received three (3) days following the postmark dates thereof and shall be sufficient if in writing and mailed, postage prepaid, by United States first class certified mail, return receipt requested, or registered mail, addressed as follows:

If to Assignee: Attention: Mortgage Loan Department, One Union Square, Suite 3300, Seattle, Washington 98101, with a copy to:

First Interstate Mortgage Company of Illinois, 111 West Washington Street, Chicago, Illinois 60602.

If to Assignor: 135 S. LaSalle, Chicago, Illinois 60690 with a copy to:

Jack Herman, Esq., Herman, Glazer & Kessler, One North LaSalle, Suite 2020, Chicago, Illinois 60602;

14. Agrees that in the event of any conflict between the terms hereof and the terms of Mortgage, the terms of Mortgage shall prevail.

15. Agrees that this Assignment and all covenants and warranties herein contained shall inure to the benefit of Assignee, its successors, assigns, grantees and legal representatives and shall be binding upon Assignor, its successors, assigns, grantees and legal representatives.

This Specific Assignment of Leases and Rents is executed by LA SALLE NATIONAL BANK, not personally, but as Trustee under the terms of the Trust Agreement dated December 1, 1972, and known as Trust No. 45086, solely in the exercise of the power and authority conferred

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upon and vested in it as such Trustee (and the undersigned hereby warrants that it possesses full power and authority to execute this Specific Assignment of Leases and Rents), and it is expressly understood and agreed that nothing herein contained or contained in the Note additionally secured hereby, or Other Loan Documents, shall be construed as creating any personal liability on the undersigned or its agents, employees, nor any person or entity interested beneficially or otherwise in said Trust Agreement to pay the Note or any interest that may accrue thereon or any indebtedness accruing hereunder or to perform any of the conditions herein contained, all such personal liability being expressly waived by Assignee and its successors and assigns, and that so far as the undersigned and its beneficiaries and successors in trust personally are concerned, Assignee and its successors and assigns shall look solely to the premises hereby conveyed and to the income, proceeds and avails thereof for the payment of the Note and all sums secured hereby and the enforcement of the lien hereby created in the manner herein and by law provided.

Anything in this Specific Assignment of Leases and Rents to the contrary notwithstanding, it is expressly understood and agreed that this Specific Assignment of Leases and Rents shall be "non-recourse", i.e. nothing herein contained shall be construed as creating any liability on the part of Albert Zale and Edward Zale to pay the Note or any interest that may accrue thereon, or Indebtedness, or other obligation accruing thereunder or hereunder, and that Assignee shall look solely to the Mortgaged Premises and the rents, issues and profits thereof and any other security expressly given to secure Indebtedness.

IN WITNESS WHEREOF, Assignor has caused this Specific Assignment of Leases and Rents to be signed by its duly authorized officers and its corporate seal to be hereunto affixed on the day and year first above written.

IA SALLE NATIONAL BANK, not personally,  
but as Trustee as aforesaid

BY: \_\_\_\_\_  
Title: \_\_\_\_\_ ASSISTANT VICE PRESIDENT

ATTEST: *Arthur S. Wehler*  
Title: \_\_\_\_\_ ASSISTANT SECRETARY

BY: *Albert Zale*  
ALBERT ZALE

BY: *Edward Zale*  
EDWARD ZALE

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STATE OF ILLINOIS )
COUNTY OF COOK ) SS:

I, Alicia Yanox, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY that James A. Clark, Assistant Vice President of LA SALLE NATIONAL BANK, as Trustee under Trust No. 45086, and Rita Slimm Welter, Assistant Secretary of said Corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Corporation, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said Assistant Secretary did also then and there acknowledge that (she) (he), as custodian of the corporate seal of said Corporation, did affix the said corporate seal of said Corporation to said instrument as his own free and voluntary act and as the free and voluntary act of said Corporation, as Trustee as aforesaid, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 5th day of May, 1986.

Alicia Yanox
Notary Public

My commission expires: August 9, 1987

STATE OF ILLINOIS )
COUNTY OF COOK ) SS:

I, VIRGINIA S. MUNN, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Albert Zale is 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 severally acknowledged that he/she signed and delivered the said instrument as owner of fifty percent interest of the beneficial interest of Trust and as his/her free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 5 day of May, 1986.

Virginia S. Munn
Notary Public

My Commission Expires: June 16, 1986

STATE OF ILLINOIS )
COUNTY OF COOK ) SS:

I, VIRGINIA S. MUNN, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Edward Zale is 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 severally acknowledged that he/she signed and delivered the said instrument as owner of fifty percent interest of the beneficial interest of Trust and as his/her free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 5 day of May, 1986.

Virginia S. Munn
Notary Public

My Commission Expires: June 16, 1986

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