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ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT ("Assignment") made as of July 24, 1987 by WILLIAMS ELECTRONICS GAMES, INC., a Delaware corporation, ("Assignor") to CONTINENTAL ILLINOIS NATIONAL BANK AND TRUST COMPANY OF CHICAGO ("Assignee")

WHEREAS, Assignor has executed and delivered to Assignee the following:

- (i) That certain Loan and Security Agreement dated as of December 31, 1984, as amended by those certain Amendments dated as of May 8, 1986 and July 24, 1987 respectively, all made between Assignor as "Borrower" thereunder and Assignee as "Lender" thereunder (which, together with all extensions, renewals, modifications, amendments, and substitutions thereof) is hereinafter referred to as the "Loan Agreement." The Loan Agreement provides for revolving credit loans and advances from time to time to or for the benefit of Assignor (the "Loans"). The Loans are payable as set forth in the Loan Agreement. The maximum principal amount of the Loans is not to exceed the "Loan Limit" of FIFTEEN MILLION and 00/100 DOLLARS (\$15,000,000.00) at any one time outstanding, plus interest, and
- (ii) Its Mortgage, Security Agreement and Assignment of Rents dated of even date herewith (the "Mortgage"), to secure the Loans, inter alia (as is more fully set forth in the Mortgage), which Mortgage encumbers the real estate commonly known as 3401 N. California Avenue, Chicago, Illinois 60618 and legally described on Exhibit A attached hereto and made a part hereof, which real estate, together with all appurtenant rights thereto and all other collateral more fully set forth in the granting clause of the Mortgage, constitutes the "Premises";

WHEREAS, Assignor wishes to further secure its obligations to Assignee under the Loan Agreement, the Mortgage, and the other Loan Documents (as hereinafter defined). The Loan Agreement, the Mortgage, this Assignment, and all other documents or instruments securing, evidencing, guaranteeing or otherwise relating or pertaining to the indebtedness evidenced by the Loan Agreement or otherwise inuring to the benefit of Bank on account thereof (together with all future amendments, modifications, substitutions, renewals, or extensions of any of them made from time to time) are hereinafter referred to as the "Loan Documents." By this reference, terms and provisions of the other Loan Documents are incorporated herein by reference as if fully set forth herein.

NOW, THEREFORE, Assignor, for and in consideration of these presents and the mutual agreements herein contained and as further and additional security for any and all of the following:

- (i) payment of the Loans and all other "Liabilities" (as defined in the Loan Agreement) made within twenty (20) years of the date of recording of the Mortgage, including without limitation all Loans (including but not limited to principal, interest and premiums, if any), whether the entire amount shall have been advanced to Assignor as of the date hereof or at a later date, or having been advanced, shall have been repaid in part or in full and further advances made at a later date. At any time before this Assignment's cancellation

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Attn: Joie Carlson 14028-14
Ticor Title Insurance
69 W. Washington
Chicago, IL 60602 Re:

and release, the Loan Agreement and Mortgage, including the terms of repayment, may from time to time be modified or amended in writing by Assignor and Assignee to include future advances for any purpose made by Assignee, at its option, to or for the benefit of Assignor. Assignor covenants and agrees that this Assignment secures (on a priority basis from the date of recording of the Mortgage) any and all such future advances, whether such advances are of the same or a different kind or quality as the original advances or whether related to the original advances, and secures the interest and premiums thereon as well as the principal, interest and premiums now evidenced by the Loans;

- (i) All other indebtedness of Assignor, WMS Industries, Inc., a Delaware corporation ("WMS"), and Williams Telephone Co., Inc., a Delaware corporation ("WTC") to Assignee under the terms and provisions of each of the Loan Documents, including but not limited to indebtedness under that certain Guarantee made by WMS dated as of July 28, 1987 and delivered to Assignee and that certain Guaranty and Security Agreement made by WTC, dated May 8, 1986 and delivered to Assignee;
- (iii) The performance and discharge of all covenants, obligations and agreements under each of the Loan Documents;
- (iv) All other indebtedness of Assignor to Assignee whether now or hereafter existing, whether direct or indirect, absolute or contingent, due or to become due;

and in consideration of the sum of TEN DOLLARS (\$10.00) to Assignor in hand paid, the receipt whereof is hereby acknowledged, does hereby sell, assign and transfer unto Assignee all leases of the Premises, or any part thereof, together with all of the rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by Assignee under the powers herein granted, together with all guarantees of any of the foregoing, it being the intention hereby to establish an absolute transfer and assignment of all the said leases and agreements, and all the avails thereof, to Assignee, and Assignor does hereby authorize the Assignee (with or without taking possession of the Premises), to rent, lease or let all or any portion of the Premises to any party or parties at such rental and upon such terms, in its discretion as it may determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due, or that may hereafter become due under each and all of the leases and agreements, written or verbal, or other tenancy existing or which may hereafter exist on the Premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Assignee would have upon taking possession of the Premises pursuant to the provisions hereinafter set forth.

Assignor represents, warrants and agrees that no rent has been or will be paid by any person in possession of any portion of the Premises for more than one installment in advance and that the payment of none of the rents to accrue for any portion of the Premises has been or will be waived, released, reduced,

or discounted, or otherwise discharged or compromised by Assignor. Assignor waives any right of set-off against any person in possession of any portion of the Premises. Assignor agrees not to make any other or further assignment of the rents or profits or leases prior to the release of this Assignment.

Assignor agrees, represents and warrants unto Assignee, its successors and assigns, as follows:

- (i) attached as Exhibit "B" is a schedule of all leases existing as of the present date with respect to the Premises or part thereof (the "current leases"); all amendments to the current leases are designated on the aforesaid schedule; Assignor is the sole owner of the entire lessor's interest in the current leases;
- (ii) no default exists on the part of the lessor or lessee named in the current leases, or their successors and assigns, under the terms, covenants, provisions or agreements therein contained and there exists no state of facts which, with the giving of notice or lapse of time or both, would constitute a default under any of the current leases;
- (iii) the current leases are valid and enforceable in accordance with their terms and shall remain in full force and effect irrespective of any merger of the interest of lessor and lessee thereunder.
- (iv) if any of the current leases provides for the abatement of rent during repair of the demised premises by reason of fire or other casualty, Assignor shall furnish rental insurance to Assignee in an amount and form and written by insurance companies as shall be satisfactory to Assignee;
- (v) Assignor shall not hereafter terminate, modify or amend any of the current leases or any of the terms thereof without the prior written consent of Assignee and any attempted termination, modification or amendment of the current leases, or anyone of them, without such written consent shall be null and void;
- (vi) Assignor shall perform all of Assignor's covenants and agreements as lessor under each of the current leases and shall not suffer or permit to occur, any release of liability of the lessee therein or any right of the lessee therein to withhold payment of rent;
- (vii) if so requested by Assignee after default under the current leases, Assignor shall enforce any one or several of the current leases and all remedies available to Assignor against the lessee therein named.

Nothing herein contained shall be construed as constituting Assignee "mortgagee in possession" in the absence of the taking of actual possession of the premises by Assignee pursuant to the provisions hereinafter contained. In the exercise of the powers herein granted to Assignee, no liability shall be asserted or enforced against Assignee, all such liability being expressly waived and released by Assignor.

Assignor further agrees to execute and deliver immediately upon the request of Assignee, all such further assurances and assignments in the Premises as Assignee shall from time to time reasonably require.

Although it is the intention of the parties that this assignment is 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 and powers conferred upon it herein until and unless one of the following events shall occur, which shall constitute Events of Default hereunder;

- (i) default in the payment of principal or interest when due in accordance with the terms of the Loan Agreement;
- (ii) occurrence of a Prohibited Transfer (as defined in the Mortgage);
- (iii) occurrence of an Event of Default under the Mortgage (as defined therein) or if the right to foreclose the Mortgage shall accrue to Assignee; or
- (iv) occurrence of any act or omission which, with the giving of notice or the passage of time or both, would be or become a default or Event of Default under this Assignment, the Loan Agreement, or under any of the other Loan Documents, after giving effect to any applicable cure period.

Nothing herein contained shall be deemed to affect or impair any rights which Assignee may have under the Loan Agreement or Mortgage or any other of the Loan Documents.

In any case in which under the provisions of the Mortgage Assignee has a right to institute foreclosure proceedings, whether before or after the entire principal sum secured thereby is declared to be immediately due and payable, or whether before or after institution of legal proceedings to foreclose the lien thereof or before or after sale thereunder, forthwith, upon demand of Assignee, Assignor agrees to surrender to Assignee and Assignee shall be entitled to take actual possession of the Premises or any part thereof personally, or by its agents or attorneys, and Assignee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of the Premises, together with all the documents, books, records, papers and accounts of Assignor or the then owner of the Premises relating thereto, and may exclude Assignor, its agents or servants, wholly therefrom and may as attorney in fact or agent of Assignor, or in its own name as Assignee and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, if any, thereof either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of security of the avails, rents, issues and profits of the Premises, including actions for the recovery of rent, actions in forceable detainer and actions in distress of rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, and with full power to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Assignor to cancel the same, to elect to disaffirm any lease or sublease made subsequent to the Mortgage or subordinated to the lien thereof, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises that may

seem judicious, in its discretion, to insure and reinsure the same for all risks incidental to Assignee's possession, operation and management thereof and to receive all such avails, rents, issues and profits.

Assignee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases or rental agreements relating to the Premises, and 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 any leases or under or by reason of the assignment thereof 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 said leases. Should Assignee incur any such liability, loss or damage, under said leases or under or by reason of this Assignment, or in the defense of any claims or demands, Assignor agrees to reimburse Assignee for the amount thereof, including direct costs, direct expenses and reasonable attorney's fees, immediately upon demand.

Assignee in the exercise of the rights and powers conferred upon it by this Assignment shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Assignee may determine:

(a) To the payment of the operating expenses of the Premises, including the cost of management and leasing thereof (which shall include reasonable compensation to Assignee and its agent or agents, if management be delegated to an agent or agents, and it shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) To the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

(c) To the payment of all repairs, decorating, renewals, replacements, alterations, additions, or betterments and improvements of the Premises, including without limitation the cost from time to time of installing or replacing such fixtures, furnishings and equipment therein, and of placing the Premises in such condition as will, in the reasonable judgment of Assignee, make it readily rentable; and

(d) To the payment of any indebtedness secured by the Mortgage or any deficiency which may result from any foreclosure sale.

Assignor further specifically and irrevocably authorizes and instructs each and every present and future lessee or tenant of the whole or any part of the Premises to pay all unpaid rental agreed upon in any tenancy to Assignee upon receipt of demand from Assignee to pay the same.

It is understood and agreed that the provisions set forth in this Assignment shall be deemed a special remedy given to Assignee, and shall not be deemed exclusive of any of the remedies granted in the Mortgage, but shall be deemed an additional remedy and shall be cumulative with the remedies therein granted and elsewhere granted in any of the Loan Documents, all of which remedies shall be enforceable concurrently or successively.

Whenever the term "Assignor" is used herein, it is hereby understood that the same includes and shall be binding upon

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successors and assigns (including successors by consolidation) of Assignee, and any party or parties holding any right, title or interest in the Premises by, through or under 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 Loan Agreement.

It is expressly understood that no judgment or decree which may be entered on any debt secured or intended to be secured by the Mortgage shall operate to abrogate or lessen the effect of this instrument, but that the same shall continue in full force and effect until the payment and discharge of any and all indebtedness secured by the Mortgage, in whatever form the said indebtedness may be until the indebtedness secured by the Mortgage shall have been paid in full and all bills incurred by virtue of the authority herein contained have been fully paid out of rents, issues and profits of the Premises, or by Assignor, or until such time as this instrument may be voluntarily released. This instrument shall also remain in full force and effect during the pendency of any foreclosure proceedings, both before and after sale, until the issuance of a deed pursuant to a foreclosure decree, unless the indebtedness secured by the Mortgage is fully satisfied before the expiration of any period of redemption.

If any lessee under said leases should be the subject of any proceeding under the Federal Bankruptcy Code, as amended from time to time, or under any other federal, state, or local statute which provides for the possible termination or rejection of a particular lease assigned hereby, Assignor covenants and agrees that if any of said leases is so terminated or rejected, no settlement for damages shall be made without the prior written consent of Assignee, and any check in payment of damages for termination or rejection of any such lease will be made payable both to Assignor and Assignee. Assignor hereby assigns any such payment to Assignee and further covenants and agrees that upon the request of Assignee, it will duly endorse to the order of Assignee any such check, the proceeds of which will be applied to whatever portion of the indebtedness secured by this Assignment Assignee may elect.

IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the day and year first above written.

WILLIAMS ELECTRONICS GAMES, INC.,
a Delaware corporation

By: 

Title: Vice President, Sec.

Attest:

Name: _____

Title: _____

~~This instrument was prepared by~~
~~and should be returned to:~~

Barbara C. Herbert, Esq.
Law Department (105/9)
Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60697

EXHIBIT A - LEGAL DESCRIPTION

PARCEL 1:

A tract of land, lying West of a line which is 389 feet and 3 inches (measured along the North line of West Roscoe Street) East of the East line of North California Avenue and which runs North from and at right angles to the said North line of West Roscoe Street which tract of land aforesaid is contained in the following described land:

Commencing at a point in the North and South center line of Section 24, Township 40 North, Range 13 East of the Third Principal Meridian, 1238.5 feet North of the South line of said Section running; thence East to a point on or near the West bank of the North branch of the Chicago River and distant from the point of beginning 719.2 feet; thence North 7 Degrees 30 Minutes West, 303.5 feet to a point West of said North Branch of the Chicago River; thence West 679.2 feet to said North and South center line of said Section 24; thence South along said North and South center line 300 feet to the point of beginning, (excepting from the said tract the west 33 feet taken for North California Avenue and South 33 feet taken for Roscoe Street), in Cook County, Illinois.

PARCEL 2:

The South 153 feet of the North 339.22 feet of the South 1238.50 feet of the West 169.24 feet (except the West 33 thereof, taken for North California Avenue) of the South East 1/4 of Section 24, Township 40 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 3:

The North 56 feet of the South 159.3 feet of the South East 1/4 Section 24, Township 40 North, Range 13 East of the Third Principal Meridian, lying West of the North Branch of the Chicago River as established and used by the Sanitary District of Chicago, and East of a line 308.77 feet East of and parallel with the west line of said South East 1/4 of Section 24, being a part of Lot 17 in the County Clerk's Division of unsubdivided lands in the South East 1/4 of said Section 24, in Cook County, Illinois.

Permanent Tax Numbers:	13-24-400-003 (Affects Parcel 1)	Commonly known As: 3401 N. California Avenue Chicago, IL 60618
	13-24-404-009 (Affects Parcel 2)	
	13-24-400-006 (Affects Parcel 3)	

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EXHIBIT "B"
SCHEDULE OF LEASES

None

Property of Cook County Clerk's Office

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STATE OF Illinois)
COUNTY OF Cook) SS.

I, Marshall P. Norman, a notary public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Barbara M. Norman and William Thomas Norman, Jr., personally known to me to be the same persons whose names are, respectively, as Vice President and Secretary and Director of William Thomas Norman, Inc., a Delaware corporation, subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged to me that they, being thereunto duly authorized, signed, sealed with the corporate seal of said corporation and delivered said instrument as the free and voluntary act of said corporation and as their own free and voluntary act, for the uses and purposes set forth therein, all pursuant to authority granted by the Board of Directors of the Corporation.

GIVEN under my hand and notarial seal this 24th day of July, 1987.

Marshall P. Norman
Notary Public

My Commission expires:

4/3/89

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COOK COUNTY RECORDER

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