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COLLATERAL ASSIGNMENT OF
LEASES AND RENTS

FARLEY METALS, INC.
6300 Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606

Assignor

to

NATWEST USA CREDIT CORP.
175 Water Street
New York, New York 10038

Assignee

DATED: July 17 1987

Subject Premises Located at: Cook County, Chicago, Illinois

Addresses of Subject Premises: 900 W. 12th Street and
735 S. Washtenaw Street

This instrument prepared by and when recorded to be re-
turned to:

John J. Busillo, Esq.
Kaye, Scholer, Fierman, Hays & Handler
425 Park Avenue
New York, New York 10022

PIN: 16-13-405-018, 16-13-405-019, 16-13-409-001,
17-20-405-018, 17-20-405-039, 17-20-405-015, 17-20-405-041,
17-20-405-024, 17-20-405-025, 17-20-405-035, 17-20-405-010,
17-20-405-011, 17-20-405-014, 17-20-405-013, 17-20-404-028
and 17-20-405-012

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COLLATERAL ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT made this 29th day of July, 1987, by FARLEY METALS, INC. (the "Assignor"), having an office at 6300 Sears Tower, 233 South Wacker Drive, Chicago, Illinois 60606, to NATWEST USA CREDIT CORP. (the "Assignee"), having an office at 175 Water Street, New York, New York 10038.

DEFINITIONS

"Assignment" shall mean the within assignment which shall remain in full force and effect as long as any Obligations (as hereinafter defined) of the Assignor to the Assignee shall remain unpaid.

"Agreement" shall mean:

(i) Any agreement dated the date hereof, written or oral, between the Assignor and the Assignee pursuant to which the Assignor has borrowed, or will borrow, money from the Assignee, and/or

(ii) Note (the "Note") in the maximum principal amount of \$35,000,000 (together with all renewals, extensions, replacements, modifications and substitutions thereof), made, executed and delivered by the Assignor this date to the Assignee, and/or

(iii) Mortgage (the "Mortgage") made by Assignor to Assignee dated the date hereof with respect to the Subject Premises (as hereinafter defined), which Mortgage secures the Note.

"Obligations" shall mean any liability, indebtedness or obligation of every nature, kind and description of the Assignor to the Assignee, created or arising, under any agreement, including all claims of the Assignee against the Assignor, whether now existing or hereafter incurred, whether originally contracted with the Assignee and/or with another and now or hereafter owing to or acquired by the Assignee, whether covenanted by the Assignor alone or jointly and/or severally with another, whether absolute or contingent, accrued or unaccrued, direct or indirect, matured or not matured.

"Assignor" shall mean all assignors, jointly and severally, if more than one.

"Rent" or "Rents" shall mean all rent, issues, income, profits, percentage rentals, overages and all other pay-

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ments reserved in, arising from or in connection with, or due or to grow due, under any Lease (as hereinafter defined) for the use and occupation of the Subject Premises (as hereinafter defined).

"Lease" or "Leases" shall mean any lease or leases affecting all or any part of the Subject Premises, and any and all extensions, renewals and modifications thereof, whether now in existence or hereafter made, and all leases hereafter made covering or affecting all or any part of the Subject Premises, and all extensions, renewals and modifications thereof.

"Subject Premises" shall mean each piece or parcel of real property, or any portion thereof, as more particularly described in any Lease and in Schedule A.

WITNESSETH:

1. FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the Assignor hereby grants, transfers, sets over and assigns unto the Assignee, the Assignor's entire right, title and interest, as landlord, of, in and to each of the Leases.

TOGETHER with all of the Rents reserved in, arising from or in connection with, and due or to grow due, under each of said Leases for the use and occupation of the Subject Premises, and any guarantees of the obligations of the lessee under each of the Leases.

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns, from and after the date hereof for all the rest of the term or terms of each of the Leases, as renewed or extended from time to time.

2. This Assignment is made and delivered by the Assignor as collateral security and/or additional and/or substituted and continuing collateral security for the payment of all of the Obligations of the Assignor to the Assignee.

3. The Assignor hereby covenants with, and represents and warrants to, the Assignee that, as of the date hereof:

(i) The Assignor is the sole and absolute owner of the entire Lessor's interest in and to each Lease, and the Assignor has the right, power and authority to assign each Lease to the Assignee;

(ii) That each Lease is valid and enforceable and has not, nor has any interest therein or covenant or provisions thereof, been altered, modified

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or amended in any manner whatsoever. That no Lease has been assigned, mortgaged, pledged or otherwise encumbered in any manner whatsoever;

(iii) That each Lease is in full force and effect and no lessee under any Lease is in default in performance thereunder in any manner whatsoever; and

(iv) That no Rent reserved in or due or to grow due under any Lease has heretofore been assigned; and that no Rent has been collected in advance of the time when the same becomes due under the terms of any Lease, except that Assignor may collect Rent one (1) month in advance.

1. The Assignor covenants with the Assignee:

(i) To observe, keep and perform, at the Assignor's sole cost and expense, all of the obligations imposed upon, and to be kept and performed by, the lessor under each Lease; to take all necessary steps to enforce or secure the performance of each and every obligation and agreement to be performed by the lessee under each Lease, at the Assignor's sole cost and expense;

(ii) Not to do any act or thing, or suffer, or permit, any act or thing to be done, or performed, which would, in any manner, impair the security of any Lease or result in the termination or cancellation of any Lease;

(iii) Not to collect any Rent more than one (1) month in advance of the time when the same shall become due;

(iv) Not to execute any other, or further, assignment of the Assignor's interest, or of any part thereof, in any Lease or of the Rents reserved in or arising out of, or accruing in connection with, any Lease or from the Subject Premises;

(v) To assign and transfer to the Assignee, in form for filing and/or recording, all subsequently executed Leases, together with assignments of the Rent reserved in or to grow due thereunder in connection with, or in respect of, the Subject Premises or any part thereof;

(vi) To assign to the Assignee any guarantee now or hereafter obtained in connection with, or in

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respect of, any Lease upon the Subject Premises, or any part thereof; and

(vii) To appear in and defend, at the Assignor's sole cost and expense, any action or proceeding arising out of, or in any manner connected with, any Lease and the obligations of the lessor or the lessee thereunder, and to reimburse the Assignee for any expense, including attorneys' fees, in any such action or proceeding to which the Assignee may be made a party or in which the Assignee may appear.

5. This Assignment is made on the following terms, covenants and conditions:

(i) As long as no default, or Default (as either of said terms are defined in any Agreement) shall exist on the part of the Assignor in respect of any of the Obligations owing to the Assignee, the Assignor shall have the right to collect, at the time of, but not more than one month prior to, the dates provided in each Lease for the payment thereof, all Rents arising thereunder, or from the Subject Premises and to retain, use and enjoy the same;

(ii) Upon the happening or occurrence, or at any time thereafter, of any default hereunder, or of any default, or Default, on the part of the Assignor in respect of any Obligation of the Assignor to the Assignee, the Assignee may, at its sole option, declare all of the Obligations secured hereby immediately due and payable and may (without in any manner waiving such default, or Default), at its sole option and discretion, without notice to the Assignor and without regard to the adequacy of any other security or collateral which Assignee might have for all, or any part, of the Obligations of the Assignor to it, either in person or by agent, with or without bringing any action, suit or proceeding or without having a trustee, receiver, liquidator or conservator appointed by any court, enter upon, and take possession of, all or part of the Subject Premises and have, hold, manage, lease and operate the same on such terms, and for such period of time, as the Assignee may deem proper and either with, or without, taking possession of the Subject Premises in its own name, make, cancel, enforce or modify leases, obtain and evict tenants, demand, sue for and/or otherwise collect and receive all Rents of and from the Subject Premises including those past due and unpaid, and do any acts which the Assignee deems necessary to protect the security hereof, with

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full power to make, from time to time, all alterations, renovations, repairs or replacements thereto or thereof as may seem reasonable and/or proper to the Assignee and to apply all such Rents to the payment of:

(a) All expenses of managing the Subject Premises including, without being limited to, the salaries, fees and wages of a managing agent, and such other employees as the Assignee may deem necessary or desirable; and all expenses of operating, leasing and maintaining the Subject Premises, including, without being limited to, all taxes, charges, claims, assessments, water rents, sewer rents and any other liens; and premiums for all insurance which the Assignee may deem necessary or desirable; and the cost of all operations, renovations, repairs and replacements, and all other expenses, incident to the taking, retaining possession and control of, the Subject Premises; and

(b) The principal sum of, and interest on all other sums and amounts due under any of the Obligations of the Assignor to the Assignee, together with all costs and attorneys' fees, in such order or priority, as to any of the items in this paragraph "5" set forth, as the Assignee, in its sole discretion, may determine, notwithstanding, to the contrary, any custom or use, and, to the extent permitted by law, any statute or rule of law;

(iii) The exercise by the Assignee of any of the options granted to it in this paragraph "5", and the acts taken by the Assignor pursuant thereto, shall not be considered as a waiver, or a cure, of any default, or any Default, by the Assignor under any of the Obligations of the Assignor to the Assignee or under this Assignment.

6. The Assignee shall not be held liable or responsible for any loss or damage sustained, or alleged to have been sustained, by the Assignor which results out of the Assignee's failure or neglect to let, or lease, or underlet, or sublet the Subject Premises, or any part thereof, after default, or from any other act or omission, or claimed act or omission, of, or on the part of, the Assignee in managing, operating, leasing and maintaining the Subject Premises, after default, unless such actual loss is caused by the willful misconduct and bad faith of the Assignee; nor shall the Assignee be obligated to perform or discharge, nor does the Assignee hereby undertake or assume to perform or discharge, any obligation, duty or liability on the part of the lessor or the Assignor under any Lease or under or by virtue of this Assignment, and the Assignor shall, and does hereby agree to, indemnify the Assignee for and to save and hold the Assignee free

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and harmless from, any and all liability, loss, claims or damages which may or might be incurred under any Lease, or under, or by reason of, this Assignment and from any and all claims and demands whatsoever which may or might be asserted against the Assignee by reason of any alleged obligations or undertakings on the part of the Assignee to perform or discharge any of the terms, covenants, conditions or agreements contained in any Lease. Should the Assignee incur any such liability under any Lease or under or by reason of this Assignment, or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees shall be secured by this Assignment and the Assignor shall reimburse the Assignee therefor immediately upon demand and upon the failure of the Assignor so to do, the Assignee may, at its option, declare all of the Obligations secured hereby as immediately due and payable. And it is further understood that, under no circumstances, shall this Assignment operate to place any responsibility or liability for the care, control, leasing, management, operation or repair of the Subject Premises, or any part thereof, upon the Assignee; nor for the carrying out of any of the terms, covenants, conditions or agreements of any Lease; nor shall it operate, directly or indirectly, to make the Assignee liable or responsible for any waste committed, or alleged to have been committed, on the Subject Premises by the tenants or by any other parties, or for any dangerous or defective condition of the Subject Premises, or for any negligence in the care, management, upkeep, operation, repair or control of the Subject Premises which results in any loss, or injury, or damages, or death, to any tenant, licensee, employee or stranger.

7. Upon the payment, in full, of all of the Obligations of the Assignor to the Assignee, this Assignment shall become null and void and of no further force or effect, but the affidavit, certificate, letter or statement of any officer, agent or attorney of the Assignee showing that any part of the Obligations of the Assignor to the Assignee remain unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment and any person may, and is hereby authorized to, rely thereon.

8. The Assignor hereby authorizes and directs the lessee named in any Lease (and any other, or future, lessees or occupants, or tenants of the Subject Premises) upon receipt from the Assignee of written notice to the effect that (i) the Assignee is the holder of the within Assignment and (ii) all future and past (but unpaid) Rents should be paid to the Assignee that such lessee, tenant or occupant shall, forthwith, pay over to the Assignee all such Rents and shall continue so to do until otherwise notified, in writing, by the Assignee.

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9. The Assignee may take, or release, other security which it may hold for the payment of the Obligations of the Assignor to the Assignee, may release any party primarily or secondarily liable therefor, and may apply any other security held by it to the satisfaction, or partial satisfaction, of such Obligations without prejudice to any of its rights under this Assignment.

10. If the Assignor shall fail to promptly perform any of its covenants or obligations under this Assignment or under any of the Obligations of the Assignor to the Assignee, the Assignee may, at its option, without notice to, or demand upon, the Assignor (and without waiving or releasing the Assignor from any of its covenants or obligations of the Assignor to the Assignee), perform the same in such manner and to such extent as the Assignee, in its sole discretion, shall deem necessary or proper, and in such event all costs and expenses of the Assignee in connection therewith (including, but not limited to, reasonable attorneys' fees), together with interest thereon from the date of each such cost or expense at the Applicable Rate (as hereinafter defined), shall be due and payable by the Assignor to the Assignee on demand and shall be secured by this Assignment.

11. All notices, demands or documents of any kind which the Assignee may be required, or may desire, to serve upon the Assignor, may be served by delivering the same to the Assignor personally, or by leaving a copy of such notice, demand or document addressed to the Assignor at the Assignor's address set forth at the head of this Assignment, or by depositing a copy of such notice, demand or document in the United States mail, postage prepaid, and addressed to the Assignor at the aforesaid address, or at such other address as the Assignor shall designate by written notice to the Assignee. For all purposes hereunder, any notice, demand or document mailed as aforesaid by the Assignee to the Assignor shall be deemed to have been served on the date of mailing thereof.

12. Nothing contained in this Assignment and no act or action taken or done, or omitted to be taken or done, by the Assignee pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by the Assignee of any of its rights and remedies against the Assignor in connection with, or in respect of, any of the Obligations of the Assignor to the Assignee. The right of the Assignee to collect and enforce collection of the Obligations of the Assignor to the Assignee and to enforce any other security and collateral therefor held by it may be exercised by the Assignee either prior to, simultaneously with or subsequent to any action taken by the Assignee hereunder.

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13. This Assignment together with the agreements, covenants and warranties herein contained shall inure to the benefit of the Assignee and shall extend to any subsequent holder hereof and shall be binding upon the Assignor and its successors and assigns and upon any subsequent owner of the Subject Premises or of any part thereof.

14. The term "Applicable Rate" as used herein shall mean the rate which is the lesser of (i) 2% per annum plus the rate of interest payable under the Note, or (ii) the maximum interest rate permitted by applicable law.

15. The undersigned acknowledges that it has received true copies of this Assignment.

IN WITNESS WHEREOF, the Assignor has duly executed this Assignment the day and year first above written.

ASSIGNOR:

FARLEY METALS, INC.

By *Richard B. Borsari*
Name: *Richard Borsari*
Title: *CEO President*

ATTEST:

By *Nancy A. Nagy*
Name: *NANCY A. NAGY*
Title: Secretary

[Corporate Seal]

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21 to 25 in Barrett's Subdivision, aforesaid, all in Cook County, Illinois.

PARCEL 9:

The West 1/2 of Lot 14 in Assessor's Subdivision of the North 1/4 of the Southeast 1/4 of Section 20 (except that part lying South of a line 150.00 feet North of and parallel with the North line of 18th Street, except that part heretofore conveyed to Burlington Northern Inc.) in Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 10:

Lot 1 (except that part lying South of the North 27 feet 1/2 inch thereof) in Louis Hoefke's Subdivision of the North 1/2 of the North 1/2 of the South 1/2 of Block 15 and Lot 28 (except the South 15.2 feet thereof) in Barrett's Subdivision of the East 1/2 of Block 14 all in Assessor's Division of the North 1/4 of the Southeast 1/4 of Section 20, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Tax Number: 16-12-405-018
(Affects Parcel 1)

Permanent Tax Number: 16-13-405-019
(Affects Parcel 1)

Permanent Tax Number: 16-13-409-001
(Affects Parcels 2 and 3)

Permanent Tax Number: 17-20-405-018
(Affects Parcel 4)

Permanent Tax Number: 17-20-405-039
(Affects Parcel 4)

Permanent Tax Number: 17-20-405-015
(Affects Parcel 4)

Permanent Tax Number: 17-20-405-041
(Affects Parcel 4)

Permanent Tax Number: 17-20-405-024
(Affects Parcel 5)

Permanent Tax Number: 17-20-405-025
(Affects Parcel 5)

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ridian in Cook County, Illinois bounded and described as follows:

Commencing at the Southeast corner of the West 1/2 of said Lot 14; thence running West along the North line of 18th Street, 143 feet to the East line of the premises heretofore conveyed to the Chicago, Burlington and Quincy Railroad; thence North a distance of 150 feet along said line; thence East along a line 150 feet North of and parallel 18th Street a distance of 143 feet to the East line of said tract; thence South 150 feet to the place of beginning, in Cook County, Illinois, together with the South 166 feet, 3 inches of Lot 15 in Assessor's Subdivision aforesaid and the South 1/2 of Lot 16 in Assessor's Subdivision aforesaid (excepting from said Lots 15 and 16) that part taken for 18th Street, all in Cook County, Illinois.

PARCEL 5:

Lots 11, 13, 15, 17 and 19 in George Roth's Subdivision of Lot 17 in Assessor's Division of the Northeast 1/4 of the Southeast 1/4 of Section 20, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 6:

Lot 45 (except the East 3 inches thereof and except the South 33 feet thereof) and Lot 46 (except the South 33 feet thereof) in George Roth's Subdivision of Block 17 of Assessor's Division of the North 1/4 of the Southeast 1/4 of Section 20, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 7:

Lots 2 and 3 in Louis Hoefkes Subdivision of the North 1/2 of the North 1/2 of the South 1/2 of Block 15 and Lot 28 (except the South 16.2 feet thereof) in Barrett's Subdivision of the East 1/2 of Block 14, all in Assessor's Division of the North 1/4 of the Southeast 1/4 of Section 20, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 8:

Lots 1 to 27 (both inclusive) and the South 16.2 feet of Lot 28 in Barrett's Subdivision of the East 1/2 of Lot 14; also, the South 1/2 of the North 1/2 of the South 1/2 of Lot 15 in Assessor's Division of the North 1/4 of the Southwest 1/4 of Section 20, Township 39 North, Range 14, East of the Third Principal Meridian, together with the vacated alleys lying South of Lots 1 to 5, West of Lots 6 to 20, and North of Lots

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SCHEDULE A

Subject Premises

PARCEL 1:

Lots 31, 32, 33 and the West 18 feet of Lot 34 in Block 3 in Carter H. Harrison's Addition to Chicago, being a Subdivision of the West 1/2 of the Northeast 1/4 of the Southeast 1/4 of Section 13, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Lots 4 through 25, both inclusive together with that part of the Lots 46 and 47 described as follows:

beginning at the Northeast corner of said Lot 47; running thence South along the East line of said Lot a distance of 36-1/2 feet to the intersection of said East line of said lot with the Northeasterly boundary line of a curved strip of land 20 feet wide, for a switch track right of way, running over and across Lots 43, 44 and 45, and said Lots 46 and 47; thence Northwesterly along the said Northeasterly boundary line of said curved strip of land, being the arc of a circle with a radius of 142-75/100 feet to a point on the North boundary line of said Lot 46 18 feet West of the Northeast corner of said lot; thence East along the North boundary line of said Lots 46 and 47, to the place beginning; all in Block 6 in Carter H. Harrison's Addition to Chicago, being the West 1/2 of the Northeast 1/4 of the Southeast 1/4 and the East 1/2 of the Northwest 1/4 of the Southeast 1/4 of Section 13, Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 3:

The North 1/2 of the vacated alley lying South of and adjoining Lots 4 through 25 both inclusive and the South 1/2 of the vacated alley lying North of and adjoining Lots 46 and 47 all in Block 6 in Carter H. Harrison's Addition to Chicago, being a Subdivision of the West 1/2 of the Northeast 1/4 of the Southeast 1/4 of Section 13, Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 4:

That part of the West 1/2 of Lot 14 in the Assessor's Subdivision of the North 1/4 of the Southeast 1/4 of Section 20, Township 39 North, Range 14, East of the Third Principal Me-

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Permanent Tax Number: 17-20-405-035
(Affects Parcel 6)

Permanent Tax Number: 17-20-405-010
(Affects Parcel 7)

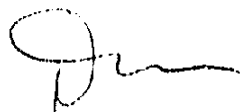
Permanent Tax Number: 17-20-405-011
(Affects Parcel 7)

Permanent Tax Number: 17-20-405-014
(Affects Parcel 8)

Permanent Tax Number: 17-20-405-013
(Affects Parcel 8)

Permanent Tax Number: 17-20-404-028
(Affects Parcels 4, 8 and 9)

Permanent Tax Number: 17-20-405-012
(Affects Parcel 10)



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. COOK COUNTY RECORDER

Property of Cook County Clerk's Office

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