

COLLATERAL ASSIGNMENT OF LEASES AND RENTS

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This Collateral Assignment of Leases and Rents ("Assignment") is made as of September 30, 1987, by American National Bank and Trust Company of Chicago, a national banking association, not personally but as Trustee under Trust Agreement dated December 10, 1986 and known as Trust No. 100670-07 ("Borrower" or "Trustee"), with a mailing address at 33 North LaSalle Street, Chicago, Illinois 60690, and by 372 West Ontario Limited Partnership, a limited partnership organized under the Uniform Limited Partnership Act of Illinois ("Beneficiary"), with a mailing address at 444 North Wells Street, Suite 306, Chicago, Illinois 60610 (Borrower and Beneficiary being referred to collectively herein as "Assignor"), to Continental Illinois National Bank and Trust Company of Chicago, a national banking association, ("Lender"), with a mailing address at 231 South LaSalle Street, Chicago, Illinois 60697, and pertains to the real estate described in Exhibit A attached hereto and made a part hereof ("Premises").

I

RECITALS

1.1 Loan. Borrower has executed and delivered to Lender a Note ("Note") of even date herewith, wherein Borrower promises to pay to the order of Lender the principal amount of ONE MILLION TWO HUNDRED FIFTY THOUSAND Dollars (\$1,250,000.00) in repayment of a loan from Lender to Borrower in like amount or so much thereof as may now or hereafter be disbursed by Lender under the Note (the "Loan"), together with interest thereon. Loan advances are to be made pursuant to a Line of Credit Agreement, as amended from time to time ("Loan Agreement").

1.2 Other Loan Documents. As additional security for the repayment of the Loan, Borrower has executed and delivered to Lender a Revolving Credit Mortgage and Security Agreement ("Mortgage") of even date herewith, granting to Lender a first lien on the Premises, and Borrower and Beneficiary have executed and delivered certain other loan documents described in Exhibit B to the Mortgage (the Note, Loan Agreement, Mortgage, this Assignment, and all other loan documents described in such Exhibit B, whether now or hereafter existing, being collectively referred to herein as the "Loan Documents").

1.3 This Assignment. As security for the repayment of the Loan in addition to the other Loan Documents, Assignor is required by the Loan Documents to execute and deliver to Lender this Assignment. Since Beneficiary is the sole beneficiary of Borrower, it is in the direct financial interest and to the benefit of Beneficiary as well as Borrower to induce Lender to make the Loan.

This instrument was prepared by and should be returned to:
Thomas A. Van Beckum, Esq.
Law Department (105/9)
Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60697

PIN NO.
17-09-127-016

87564609

Box 302

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II

THE GRANT

Now, therefore, as additional security for the payment of the principal amount of the Note and interest thereon and the performance of the agreements contained below, and also to secure the payment of any and all other indebtedness, direct or contingent, that may now be or hereafter become owing from Borrower or Beneficiary to Lender and the performance of all other obligations under the Loan Documents, (all collectively, the "Liabilities") and in consideration of the matters recited above, Assignor hereby grants, sells, assigns, and transfers to Lender all of Assignor's right, title and interest in, to, and under the following (collectively, the "Assigned Security"):

- (a) that certain lease or those certain leases, if any, described in Exhibit B attached hereto and made a part hereof (collectively "Identified Leases");
- (b) any and all leases, options, contracts for sale, or other agreements executed hereafter for the occupancy, sale or use (including concessions) of all or any part of the Premises (collectively "Future Leases");
- (c) any and all addenda, extensions, renewals, amendments, and modifications, to or of the Identified Leases and Future Leases, whether now or hereafter existing (being referred to herein collectively with the Identified Leases and Future Leases as the "Leases," and each of the Leases being referred to herein as a "Lease"); all rents escrow deposits, income, revenues, issues, profits, condemnation awards, use and occupancy payments, damages, monies and security payable or receivable under or with respect to the Leases or pursuant to any of the provisions thereof, whether as rent or otherwise, and profits arising from the Leases or from the use and occupation of all or any portion of the Premises described in any of the Leases or in the Mortgage (collectively "Rents");
- (d) all proceeds payable under any policy of insurance covering loss of Rents for any cause ("Insurance Proceeds");
- (e) all rights, powers, privileges, options and other benefits of Assignor as lessor under such Leases (collectively "Assignor's rights"), including, without limitation, (a) the immediate and continuing right to receive and collect all Rents, and (b) the right to make all waivers, agreements and settlements, to give and receive all notices, consents and releases, to take such action upon the happening of a default under any of the Leases, including the commencement, conduct and consummation of such legal proceedings as may be permitted under any provision of any of the Leases or by law, and to do any and all other things whatsoever which the Assignor is or may become entitled to do under any of the Leases; and
- (f) all guaranties of the tenants' performance of the Leases ("Guaranties").

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This Assignment constitutes a present, perfected and absolute assignment. This Assignment confers upon Lender a power coupled with an interest and cannot be revoked by Assignor.

III

GENERAL AGREEMENTS

3.1 Present Status. Borrower represents and Beneficiary warrants that:

- (a) Assignor is the sole owner of the entire lessor's interest in the Identified Leases;
- (b) the Identified Leases are and will remain valid and enforceable and have not been altered, modified, or amended in any manner whatsoever except as may be herein set forth;
- (c) neither Assignor nor any lessee is in default under any of the terms, covenants, or conditions of the Identified Leases;
- (d) other than this Assignment, no Rent has been assigned or anticipated and no Assignor's Rights or Guaranties have been assigned;
- (e) no Rent for any period subsequent to the date of this Assignment, other than security or other deposits, has been collected in advance of the times when due under the terms of the respective Identified Leases; and Assignor shall not claim or permit any lessee or any person in possession of any portion of the Premises to claim any right of set-off against any such Rent; and
- (f) Assignor has delivered to Lender true and complete copies of all Identified Leases described in Exhibit B and that such Identified Leases are all of the Leases currently in effect affecting the Premises.

3.2 Future Performance. Assignor covenants:

- (a) to observe and perform all of the obligations imposed upon the lessor under the Leases and not to do or permit to be done anything to impair the security thereof;
- (b) not to collect any of the Rents, other than security or other deposits, in advance of the time when the same becomes due;
- (c) not to hereafter assign, sell, pledge, or encumber any of the Assigned Security except as hereinafter set forth;
- (d) not to alter, modify, or change the terms of any Lease, Assignor's Rights or Guaranty, cancel or terminate the same, accept a surrender thereof, or in any manner release or discharge any lessee from any obligation or covenant of any Lease, Assignor's rights or Guaranty, without the prior written consent of Lender, which consent shall not be unreasonably withheld;

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- (e) at Lender's request, to assign and transfer to Lender specifically in writing any and all Future Leases and to execute and deliver, at the request of Lender, all such further assurances and assignments pertaining to the Premises as Lender may from time to time require;
- (f) to warrant and defend the Assigned Security against all adverse claims, whether now or hereafter arising;
- (g) at its sole cost and expense, to enforce or secure the performance of each and every obligation, covenant, condition and agreement to be performed by the tenant under each and every Lease, Assignor's Right and Guaranty;
- (h) to observe and comply with all provisions of law applicable to the operation and ownership of the Premises;
- (i) to give prompt written notice to the Lender of any notice given by a lessee claiming default on the part of the Assignor with respect to any Lease, Assignor's Right or Guaranty, and to also at its sole cost and expense, appear in and defend any action or proceeding arising under, growing out of or in any manner connected with any Assigned Security or the obligations, duties or liabilities of the Assignor or any tenant thereunder that are not caused by the acts or omissions of Lender;
- (j) not to lease or otherwise permit the use of all or any portion of the Premises for rent that is below the fair market rent for such property;
- (k) if any of the Leases provide for the abatement of rent during repair of the premises demised thereunder by reason of fire or other casualty, the Assignor shall furnish rental insurance to Lender in amount and form, and written by insurance companies, as shall be satisfactory to Lender; and
- (l) not hereafter permit any of the Assigned Security to become subordinate to any lien other than the lien of the Mortgage and any liens to which the Mortgage is now, or may pursuant to its terms become, subordinate, nor terminate, modify or amend any of the Leases, Assignor's Rights or Guaranties or any of the terms thereof without the prior written consent of Lender, and any attempted termination, modification or amendment of any of the Leases, Assignor's rights or Guaranties without such written consent shall be null and void.

IV

DEFAULTS AND REMEDIES

4.1 Absence of Default. Although this Assignment is intended to be a present assignment, Assignor shall have the right to collect at the time of, but not prior to, the payment dates provided in the Leases, all Rents, and to retain, use, and enjoy the same; provided that none of the following events shall occur, each of which shall constitute a Default hereunder:

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- (a) default by Assignor in the performance or observance of any provision of this Assignment;
- (b) default (uncured within the applicable cure period) in the payment or performance of the Liabilities;
- (c) a "Default" or "Event of Default" (as defined in the Note, Mortgage or other Loan Documents) exists;
- (d) default under the Guaranty, of even date herewith, given to Lender by Howard R. Conant, Sr., or under the limited Guaranties, of even date herewith, given by Howard R. Conant, Jr. and Robert Frankel (each of the foregoing individually a "Guarantor", and collectively, the "Guarantors") to secure the Loan; and

All rents which accrue prior to a Default but are paid thereafter shall be paid to the Lender.

4.2 Exercise of Lender's Rights. Any time after the occurrence of a Default, Lender may, at its option, take the actions described below, without in any way waiving such Default, without notice and without regard to the adequacy of the security for the Liabilities. Lender may act either in person or by an agent or by a receiver appointed by a court.

- (a) Take possession of all or any part of the Premises or any other property described in any or all of the leases, the Mortgage and the other Loan Documents (collectively the "Premises"), to have, hold, manage, lease, sell, and operate the Property on such terms and for such periods of time as Lender may deem proper;
- (b) Either with or without taking possession of such Premises in Lender's own name, sue for or otherwise collect and receive all Rents, including those past due and unpaid, with full power to make, from time to time, all alterations, renovations, repairs, or replacements to or of any part of the Premises in accordance with the Plans described in the Loan Agreement and to apply such Rents, in payment of any or all of the following, in such order and manner as Lender may in its sole discretion determine any statute, law, custom, or use to the contrary notwithstanding:
 - (i) all expenses of managing the Premises, including without limitation the salaries, fees, and wages of any managing agent and such other employees as Lender may deem necessary or desirable and all expenses of operating and maintaining the Premises, including without limitation all taxes, charges, claims, assessments, water rents, sewer rents, any other liens, and premiums for all insurance that Lender may deem necessary or desirable, and the cost of all alterations, renovations, repairs, or replacements, and all expenses incident to taking and retaining possession of the Premises; and
 - (ii) the Liabilities, and in such order of application, as Lender may from time to time elect, together with all costs and reasonable attorneys' fees;

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- (c) At Lender's option, perform Assignor's obligations hereunder or pursuant to any of the Assigned Security, or cure Assignor's default in such manner and to such extent as Lender deems appropriate;
- (d) Make, enforce, modify and accept surrender of the Leases, Assignor's Rights and Guaranties;
- (e) Perform any and all other acts necessary or proper to protect the security of this Assignment;
- (f) Apply for, and the Assignor hereby consents to, the appointment of a receiver of any Premises, whether or not foreclosure proceedings have been commenced under the Mortgage, and if such proceedings have been commenced, whether or not a foreclosure sale has occurred; and
- (g) Avail itself of any remedies granted in the other Loan Documents, which remedies are cumulative to those granted herein.

The Beneficiary does hereby appoint irrevocably the Lender its true and lawful attorney in its name and stead and authorizes Lender to take any of the actions described above. Powers of attorney conferred upon Lender pursuant to this Assignment are powers coupled with an interest and cannot be revoked, modified or altered without Lender's written consent. The exercise by Lender of the option granted it in this Paragraph 4.2 and the collection of the Rents, and their application as provided herein shall not be considered a waiver of any Default. Assignor's obligations shall survive foreclosure of the Mortgage, and Assignor covenants to observe and comply with all its obligations under this Assignment and the other Loan Documents throughout any period of redemption after foreclosure of the Mortgage.

4.3 Non-Liability of Lender and Indemnity. Lender shall not be liable for any loss sustained by Assignor resulting from Lender's failure to let the Premises after a Default or from any other act or omission of Lender in managing the Premises after a Default unless such loss is directly and solely caused by the willful misconduct, negligence or bad faith of Lender. Nor shall Lender be obligated to perform or discharge, nor does Lender hereby undertake to perform or discharge, any obligation, duty, or liability of Assignor or any other party under any Assigned Security or under or by reason of this Assignment. This Assignment shall not operate to make Lender responsible for (i) the control, care, management, or repair of the Premises; (ii) the carrying out of any of the terms and conditions of any Lease; (iii) any waste committed on the property by the lessees or by any other parties or for any dangerous or defective conditions of the Premises; or (iv) any negligence in the management, upkeep, repair, or control of the Premises resulting in loss or injury or death to any lessee, licensee, employee, or stranger. This Assignment shall not be construed as constituting the Lender a "mortgagee in possession" of the Premises in the absence of Mortgagee's actually taking possession of the premises pursuant to this Assignment. Lender has not received any security deposit with respect to any Lease, and assumes no responsibility for any such security deposit until such time such security deposit (specified as such with specific reference to the Lease pursuant to which deposited) may be transferred to Lender and accepted by Lender by notice to the tenant under such Lease.

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Assignor shall, and does hereby agree to, indemnify Lender for, and to hold Lender harmless from any and all liability, loss, and damage which Lender may or might incur by reason of (a) the Leases, Assignor's Rights or Guaranties; (b) this Assignment; (c) any alleged obligations or undertakings on Lender's part to perform or discharge any of the terms, covenants, or agreements contained in the Leases; or (d) any action taken by Lender or its agents under this Assignment, unless constituting willful misconduct or gross negligence. Should Lender incur any such liability, loss or damage, the amount thereof, including costs, expenses, and reasonable attorneys' fees, shall be paid by Assignor upon demand of Lender and shall constitute a part of the Liabilities.

4.4 Collection of Rent. Assignor hereby and irrevocably authorizes and directs the lessee named in any Lease, whether now or hereafter existing, or occupant of all or any part of the Premises, or the obligor named in any Guaranty, upon receipt from Lender of written notice to the effect that Lender is then the holder of the Note and that a Default exists, to pay over to Lender all Rents, arising or accruing under such Lease or from all or any part of the premises described therein and to continue so to do until otherwise notified by Lender. Assignor agrees that lessees shall have the right to rely upon such demand and notice from Lender and shall pay such Rents to Lender without any obligation or right to determine the actual existence of any such Default or the Lender's right to receive such rents and amounts, notwithstanding any notice from or claim of Assignor to the contrary, and without the need for a judicial determination that a Default has occurred. Assignor shall have no right or claim against such lessees for any such Rents or other amounts so paid by tenants to Lender. Assignor agrees that it will at Lender's request take such action as Lender may from time to time request to assist Lender in exercising any rights hereunder, including joining in a written direction to lessees to pay Rents to Lender.

4.5 Other Security. Without prejudice to any of its rights under this Assignment, or notice to or consent of Assignor, Lender may (i) take or release other security for the Liabilities; (ii) release any party primarily or secondarily liable therefor; and (iii) apply any other security held by it to the satisfaction of the Liabilities in such order as Lender may elect.

4.6 Waivers. Nothing contained in this Assignment and no act done or omitted by Lender pursuant to the powers and rights granted it shall be deemed to be a waiver by Lender of its rights and remedies under the other Loan Documents. This Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Lender under any of the other Loan Documents. The right of Lender to collect the Liabilities and to enforce any other security held by it may be exercised by Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

4.7 Amounts Held in Trust for Lender. Any amounts received by Assignor or its agents for performance of any actions prohibited by the terms of this Assignment, including any amounts received in connection with any cancellation, modification or amendment of any of the Leases prohibited by the terms of this Assignment, and any amounts received by Assignor as Rents, from and after the date of any Default, shall be held by Assignor as trustee for Lender and all such amounts shall be accounted for to Lender and shall not be commingled with other funds of the Assignor. Any person acquiring or receiving all or any portion of such trust funds shall acquire or receive the same in trust for Lender as if such person had actual or constructive notice that such funds were impressed with a trust in accordance herewith; by way of example and not of limitation, such notice may be given by an

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instrument recorded with the Recorder of Deeds of the county in which the Premises are located stating that Assignor has received or will receive such amounts in trust for Lender.

4.8 Application of Proceeds. Without limiting Lender's other rights and remedies under this Assignment and the other Loan Documents, Lender may, after deducting all related attorney's fees and other costs and expenses, apply the Rents, Insurance Proceeds and all other proceeds of the Assigned Security to the payment of the Liabilities in such amount and order of application, as the Lender may elect.

V

MISCELLANEOUS

5.1 Notices. Any notice that Lender or Borrower or Beneficiary may desire or be required to give to either of the others shall be in writing and shall be mailed or delivered to the intended recipient at its address set forth above or at such other address as the intended recipient may in writing designate to the sender. Such notice shall be deemed to have been delivered two (2) business days after mailing by United States registered or certified mail, return receipt requested, postage prepaid, or when delivered in person with written acknowledgment of the receipt. Except as otherwise specifically required, notice of the exercise of any right or option granted to Lender by this Assignment is not required to be given.

5.2 Governing Law. The place of negotiation, execution, and delivery of this Assignment, the location of the Premises, and the place of payment and performance under the Loan Documents being the State of Illinois, this Assignment shall be construed and enforced according to the laws of that State.

5.3 Severability. If any provision of this Assignment, or any paragraph, sentence, clause, phrase, or word, or their application, in any circumstance, is held invalid, the validity of the remainder of this Assignment shall be construed as if such invalid part were never included.

5.4 Headings. The headings of sections and paragraphs in this Assignment are for convenience or reference only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions of this Assignment.

5.5 Grammar. As used in this Assignment, the singular and the plural, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires.

5.6 Successors and Assigns. This Assignment shall be binding upon Borrower, its successors, assigns, legal representatives, and all other persons or entities claiming under or through Borrower. This Assignment shall be binding upon Beneficiary, its successors, assigns, legal representatives and all other persons or entities claiming under or through Beneficiary. The word "Lender," when used herein, shall include Lender's successors, assigns, and legal representatives, including all other holders, from time to time, of the Note.

5.7 Conflicts. In case of any conflict between the terms of this Assignment and those of the Mortgage, the terms of the Mortgage shall prevail.

5.8 Joint and Several Liability. Beneficiary and Borrower shall be jointly and severally liable hereunder. An action to enforce this Assignment may be brought against either Beneficiary or Borrower without any requirement of joinder of

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the other party in such action. Any amounts due under this Assignment may be recovered in full from either Beneficiary or Borrower.

5.9 Trustee Exculpation. This Assignment is executed and delivered by American National Bank and Trust Company of Chicago, not personally but solely as trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee. The Trustee hereby personally warrants that it possesses full power and authority to execute and deliver this Assignment. It is expressly understood and agreed that nothing contained in this Assignment shall be construed as creating any liability on the Trustee personally to pay the indebtedness secured by this Assignment or any interest that may accrue thereon or to perform any covenant, express or implied, contained herein, all such personal liability, if any, being expressly waived by Lender and by every person now or hereafter claiming any right or security hereunder.

In Witness Whereof, Borrower and Beneficiary have caused this Assignment to be executed as of the date stated above.

Borrower:
American National Bank and
Trust Company of Chicago,
not personally but as Trustee as
aforesaid

By: [Signature]
Title: TRUSTEE

[SEAL]

Attest:

[Signature]
Title: _____

Beneficiary:

372 West Ontario Limited Partnership,
an Illinois limited partnership

By: [Signature]
Howard R. Conant, Jr.,
general partner

COOK COUNTY, ILLINOIS
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Page 9 of 1
Re: Conant
(Ontario)

EXHIBIT A LEGAL DESCRIPTION

PARCEL 1

LOTS 5, 6 AND 7 IN YOUNG'S SUBDIVISION OF PART OF KINGSBURY TRACT IN THE EAST 1/2 OF THE NORTH WEST 1/4 OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

EASEMENT APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1, FOR INGRESS AND EGRESS OVER THAT PART OF THE 18 FOOT PRIVATE ALLEY NORTH AND ADJOINING PARCEL 1 LYING EAST OF THE WESTERLY LINE OF LOT 7 EXTENDED NORTH, EXTENDING EASTERLY 175 FEET, MORE OR LESS, TO THE 18 FOOT PUBLIC ALLEY, IN COOK COUNTY, ILLINOIS.

Property Address: 372 West Ontario
Chicago, Illinois

Permanent Tax No.: 17-09-127-016-0000 (Volume 500)

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2000-2000

EXHIBIT B
IDENTIFIED LEASES

Lessee: Banka-Magno Design, Inc.

Lessor: Trustee

Dated: August 20, 1981

Expiration: August 30, 1988

Lessee: Standard Dental Laboratories of Chicago, Inc.

Lessor: Trustee

Dated: December 23, 1986

Expiration: December 31, 1992

Lessee: The Conference Works/Kite and Associates, Incorporated

Lessor: Trustee

Dated: September 14, 1987

Expiration: October 31, 1992

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STATE OF ILLINOIS)
COUNTY OF Cook)

KULA DAVIDSON

I, _____, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ and _____ personally known to me to be the same persons whose names are, respectively, as _____ and _____ of American National Bank and Trust Company of Chicago, a national banking association, not personally but solely as trustee under Trust Agreement dated December 10, 1986 and known as Trust No. 100670-07, 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 association and delivered said instrument as the free and voluntary act of said association as Trustee aforesaid, and as their own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of September, 1987.

Kula Davidson
Notary Public

My Commission expires:



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STATE OF ILLINOIS)
COUNTY OF Cook)

I, Patricia A. Flynn, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Howard R. Conant, Jr., personally known to me to be the same person whose name is subscribed to the foregoing instrument as the general partner of 372 West Ontario Limited Partnership, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of Deluxe Candy Limited Partnership for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 13th day of September, 1987.
October

My Commission Expires:
August 12-1988

Patricia A. Flynn

Cook County Clerk's Office

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