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ASSIGNMENT OF LEASES AND RENTS

KNOW ALL MEN BY THESE PRESENTS, that whereas, LA SALLE NATIONAL BANK, not personally, but solely as Trustee under Trust Agreement dated October 1, 1986 and known as Trust No. 111629 (the "Assignor"), has executed a Second Mortgage and Security Agreement (the "Mortgage"), bearing even date herewith, to THE NORTHERN TRUST COMPANY, an Illinois banking corporation ("Northern"), conveying the real estate legally described as:

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SEE EXHIBIT A HERETO

and given pursuant to a Reimbursement Agreement, bearing even date herewith, by and between the Assignor, the Beneficiary (as hereinafter defined) and Northern (the "Reimbursement Agreement") pursuant to which Northern has agreed to issue its letter of credit (the "Letter of Credit") in the amount of \$9,800,000 and is given to secure the Assignor's and the Beneficiary's (as hereinafter defined) obligations under the Reimbursement Agreement and repayment of disbursements under the Letter of Credit; and

WHEREAS, Northern is the legal owner and holder of the Mortgage and other Loan Papers (as defined in the Mortgage); and

WHEREAS, Northern requires that the Assignor deliver an Assignment of Leases and Rents as a condition to Northern's obligation to issue the Letter of Credit.

NOW, THEREFORE, the Assignor (this Assignment is also executed by State/Hubbard Associates Limited Partnership, an Illinois limited partnership, the sole beneficiary of the Assignor (the "Beneficiary"), which also joined in the execution of the Mortgage), for and in consideration of these presents and the mutual agreements herein contained and as further and additional security to Northern, and in consideration of the sum of ONE DOLLAR (\$1.00) to the undersigned in hand paid, the receipt whereof is hereby acknowledged, does hereby sell, assign and transfer unto Northern all leases and agreements (and all avails, rents, issues and profits arising and accruing thereunder), heretofore or hereafter entered into for the use or occupancy of the premises above-described, 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 Northern under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all the said leases and

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agreements, and all the rents and avails thereof, to Northern, and the Assignor and the Beneficiary do hereby appoint irrevocably Northern their true and lawful attorney in their name and stead (with or without taking possession of the aforesaid premises), to rent, lease or let all or any portion of said premises to any party or parties at such rental and upon such term, in its reasonable 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 said premises, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Northern would have upon taking possession of the said premises pursuant to the provisions hereinafter set forth.

The Assignor represents and agrees that no rent has been or will be paid by any person or entity, whether or not in possession of any portion of the above described premises, for more than one (1) monthly installment in advance. The Assignor waives any right of set off against any person having a lease of any portion of the above described premises. The Assignor agrees that it will not further assign such leases or rents or any interest in either thereof prior to release of the Mortgage except an assignment to secure a mortgage on the premises to the Indenture Trustee (as defined in the Mortgage) as expressly permitted in the Reimbursement Agreement.

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

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

It is the intention of the parties that this Assignment of Leases and Rents is a present assignment. Anything herein contained to the contrary notwithstanding, Northern agrees, however, that it will not exercise any of the rights and powers conferred upon it herein until and unless a default shall occur (and any agreed upon time period for the curing of such default shall have expired) in the performance or observance of any of the conditions or agreements of this Assignment of Leases and

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Rents or any of the other Loan Papers or an Event of Default (as defined in the Reimbursement Agreement) shall have occurred under the Reimbursement Agreement and nothing herein contained shall be deemed to affect or impair any rights which Northern may have under the Mortgage, the other Loan Papers or the Reimbursement Agreement.

The Assignor further covenants and agrees as follows: to observe, perform and discharge, duly and punctually, all and singular the material obligations, terms, covenants, conditions and warranties of the existing leases and of all future leases affecting the said premises, on the part of the Assignor to be kept, observed and performed; to notify and direct in writing each and every present or future lessee or occupant of the said premises or of any part thereof that any security deposit or other deposits delivered to the Assignor have been assigned (and may be delivered) to Northern; to enforce or secure in the name of the Assignor the performance of each and every material obligation, term, covenant, condition and agreement in said leases by any lessee to be performed; to appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the said leases or the obligations, duties or liabilities of the Assignor and any lessee thereunder, and, upon request by Northern, will do so in the name and behalf of Northern but at the expense of the Assignor, and to pay all costs and expenses of Northern, including attorneys' fees in a reasonable sum in any action or proceeding in which Northern may be joined or may appear (including, without limitation, any preparation for or review of any such action or proceeding and any other fees agreed to be paid in the Mortgage); to deliver to Northern executed copies of all leases whenever executed; not to waive, excuse, condone, discount, set-off, compromise, or in any manner release or discharge any lessee thereunder, of and from any material obligations, covenants, conditions and agreements by said lessee to be kept, observed and performed, including the obligation to pay the rents thereunder, in the manner and at the place and time specified therein; not to cancel, terminate or consent to any surrender of any said lease, nor materially modify or alter the terms thereof; not to enter into any lease of the premises, or any part thereof, except on lease forms approved by Northern, and, to the extent that any lease does not comply with the provisions of a leasing plan to be approved by Northern and the Permanent Lenders (as defined in the Mortgage), except upon terms approved by Northern. Concurrently with the execution of each lease pursuant to such leasing plan, the Beneficiary shall certify to Northern that the lease is consistent with and in compliance with such leasing plan and the Commitment (as defined in the Mortgage).

10/13/87/AMR-00123

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That in the event any representation herein of the Assignor or the Beneficiary shall be found to be materially untrue, or the Assignor or the Beneficiary shall default in the observance or performance of any obligation, term, covenant or condition herein and such default continues for thirty (30) days after written notice thereof from Northern to the Assignor, or if an Event of Default (as defined therein) occurs under the Reimbursement Agreement or if a default occurs under the Mortgage or any of the Loan Papers, and in any instance is not cured within the applicable cure period, then, in each such instance, the same shall constitute and be deemed to be a default under this Assignment and entitle Northern to declare all sums and obligations secured thereby and hereby immediately due and payable and to exercise any and all of the rights and remedies provided thereunder and hereunder as well as by law or equity.

In any case in which under the provisions of the Mortgage, Northern has a right to institute foreclosure proceedings, whether before or after the entire Liabilities (as defined therein) secured thereby are declared to be immediately due, or whether before or after institution of legal proceedings to foreclose the lien thereof or before or after sale thereunder, forthwith, upon demand of Northern, the Assignor agrees to surrender to Northern and, to the extent permitted by law, Northern (i) shall be entitled to take actual possession of the premises or any part thereof personally, or by its agents or attorneys, and Northern 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 said premises, together with all the documents, books, records, papers and accounts of the undersigned or then owner of the premises relating thereto, and may exclude the undersigned, its agents or servants, wholly therefrom; and (ii) may as attorney in fact or agent of the undersigned, or in its own name as mortgagee 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, contractors or nominees, 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, without notice to the undersigned, and with full power to cancel or terminate any lease or sublease for any cause or on any ground which would entitle the undersigned to cancel the same, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the above

10/13/87/AMR-00123

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

Northern 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 said premises, and the Assignor shall and does hereby agree to indemnify and hold Northern harmless of and from any and all liability, loss or damage which it may or might incur prior to obtaining title to the subject real estate 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 prior to obtaining title to the subject real estate 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 Northern incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any such claims or demands the Assignor agrees to reimburse Northern for the amount thereof, including costs, expenses and a reasonable attorney's fee, immediately upon demand.

Northern, in the exercise of the rights and powers conferred upon it by this Assignment of Leases and Rents, 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 it may determine:

(a) To the payment of the operating expenses of said premises, including cost of management and leasing thereof (which shall include reasonable compensation to Northern and its agents or contractors, if management be delegated to agents or contractors, and it shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), and premiums on insurance hereinabove authorized;

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

(c) To the payment of all repairs, decorating, renewals, replacements, alterations, additions, or betterments, and improvements of said premises, including, without limitation, the cost from time to time of installing or replacing tenant improvements therein, and of placing said property in such condition as will, in the judgment of the mortgagee, make it readily rentable; and



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10/13/87

(d) To the payment of any indebtedness secured by the Mortgage or the other Loan Papers or any deficiency which may result from any foreclosure sale or any Liabilities (as defined in the Mortgage) or any obligations which may arise under the Reimbursement Agreement.

The Assignor does further specifically irrevocably authorize and instruct each and every present and future lessee or tenant of the whole or any part of the above-described premises to pay all unpaid rental agreed upon in any tenancy to Northern upon receipt of demand from Northern to pay the same.

It is understood and agreed that the provisions set forth in this Assignment of Leases and Rents shall be deemed as a special remedy given to Northern and shall not be deemed exclusive of any of the remedies granted in the Mortgage or any of the other Loan Papers or in the Reimbursement Agreement or in any other document or instrument held by Northern, but shall be deemed an additional remedy and shall be cumulative with the remedies therein granted.

Whenever the word "Assignor" or the "undersigned" is mentioned herein, it is hereby understood that the same includes and shall be binding upon successors and assigns (including successors by consolidation) of the Assignor and the undersigned, and any party or parties holding title to the above described premises by, through or under the Assignor or the undersigned. All of the rights, powers, privileges and immunities herein granted and assigned to Northern shall also inure to its successors and assigns.

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 or any of the other Loan Papers 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 and the other Loan Papers, in whatever form the said indebtedness may be and until the indebtedness secured by the Mortgage and the other Loan Papers 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 property, or by the 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 indebtedness secured by the Mortgage and/or the other Loan Papers is fully satisfied before the issuance of such deed.

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This Assignment of Leases and Rents is executed by the Assignor, not individually or personally, but solely as trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee, and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on the Assignor personally to pay any of the indebtedness arising or accruing under or pursuant hereto or to the Reimbursement Agreement, or to perform any covenant, undertaking, representation or agreement, either express or implied, contained herein or in the Reimbursement Agreement, all such personal liability of the Assignor, if any, being expressly waived by Northern and by each and every person now or hereafter claiming any right or security under this Assignment of Leases and Rents; provided, however, that nothing contained in this paragraph shall in any way limit any liability of any guarantor under any of the Loan Papers or of the Beneficiary under the attached Joinder.

The Assignor hereby represents that it possesses full power and authority to execute and deliver this instrument.

If there is a conflict between a provision of this Assignment and a provision of the Reimbursement Agreement, the latter provision shall prevail.

IN WITNESS WHEREOF the undersigned, having been first duly authorized, have executed this Assignment of Leases and Rents to Northern as of the 20th day of October, 1987.

LA SALLE NATIONAL BANK, not personally, but solely as Trustee under Trust Agreement dated October 1, 1986 and known as Trust No. 111629

ATTEST:

  
Name: William E. Dillon  
Title: ASSISTANT SECRETARY

By:

Name:

Title:

  
JOSEPH W. LINN  
Trustee

10/13/87/AMR-00123

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## JOINDER

For good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, STATE/HUBBARD ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership, joins in this Assignment of Leases and Rents for the purpose of assigning its entire right, title and interest in and to the rents from and leases of the subject premises, all subject and pursuant to the terms and provisions (other than the exculpatory clause contained in the paragraph commencing at the end of page 6 and continuing on page 7 of the Assignment of Leases and Rents) of the Assignment of Leases and Rents. Without limitation, all representations and agreements of the Assignor shall also for the purposes of this Joinder constitute representations and agreements of State/Hubbard Associates Limited Partnership.

Dated as of October 20, 1987.

STATE/HUBBARD ASSOCIATES LIMITED  
PARTNERSHIP, an Illinois limited  
partnership

By: Hubbard Development Associates  
Limited Partnership, an  
Illinois limited partnership  
(Its Sole General Partner)

By: Wacker Development  
Corporation, an  
Illinois corpora-  
tion (General Partner)

By:   
Name: Stephen J. Cox  
Title: President

By: Captur Development  
Corporation, an  
Illinois corpora-  
tion (General Partner)

By:   
Name: Robert E. Thomas, Jr.  
Title: President



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STATE OF ILLINOIS )  
                          ) SS.  
COUNTY OF C O O K )

I, Susan Ghelerker, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that STEPHEN J. COX, personally known to me to be the person whose name is subscribed to the foregoing instrument both individually and as the President of Wacker Development Corporation, an Illinois corporation, which corporation is a General Partner in Hubbard Development Associates Limited Partnership, an Illinois limited partnership, the sole General Partner in STATE/HUBBARD ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership, appeared before me this day in person and swore and acknowledged to me under oath that he signed such instrument both individually and as the President, and on behalf, of Wacker Development Corporation, and that he has read and executed and delivered said instrument, pursuant to authority given by the Board of Directors of said corporation, as his free and voluntary act and as the free and voluntary act of said corporation for the purposes therein set forth.

Given under my hand and Notarial Seal, this 20th day of October, 1987.

Susan Ghelerker  
Notary Public

My Commission Expires:

9-28-88

10/13/87/AMR-00123

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STATE OF ILLINOIS )  
                          ) SS.  
COUNTY OF C O O K )

I, Susan Ghelert, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that ROBERT E. THOMAS, JR., personally known to me to be the person whose name is subscribed to the foregoing instrument both individually and as the President of Captur Development Corporation, an Illinois corporation, which corporation is a General Partner in Hubbard Development Associates Limited Partnership, an Illinois limited partnership, the sole General Partner in STATE/HUBBARD ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership, appeared before me this day in person and swore and acknowledged to me under oath that he signed such instrument both individually and as the President, and on behalf, of Captur Development Corporation, and that he has read and executed and delivered said instrument, pursuant to authority given by the Board of Directors of said corporation, as his free and voluntary act and as the free and voluntary act of said corporation for the purposes therein set forth.

Given under my hand and Notarial Seal, this 20th day of October, 1987.

Susan Ghelert  
Notary Public

My Commission Expires:

9-28-88

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**PARCEL 1:**

Lot 1 in Block 8 in Wolcott's Addition to Chicago in Cook County, Illinois Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

**PARCEL 2:**

Lot 2 in Block 13 in Kinzie Addition to Chicago, being a Subdivision of the North Fractional Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Address of Property: 2-8 West Hubbard Street, Chicago, Illinois 60610

P.I.N. 17-09-255-025-10<sup>1</sup>  
17-09-255-026-10<sup>2</sup>

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EXHIBIT A



Mail To:

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A.M. Rogers

Mayer, Brown & Platt

190 S. La Salle

~~Chicago~~

Chicago IL 60603

BOX 333-HV

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