

UNOFFICIAL COPY

ASSIGNMENT OF RENTS AND LEASES

91201223

Dated as of April 30, 1991

KNOW ALL MEN BY THESE PRESENTS THAT

Washington Court Limited Partnership, an Illinois limited partnership (the "Assignor"), whose office is located at c/o The Rezmar Corporation, 727 North Milwaukee Avenue, Chicago, Illinois 60622, in consideration of One Dollar paid by the City of Chicago, Illinois (the "Assignee"), whose office is located at 121 North LaSalle Street, Chicago, Illinois 60602, hereby conveys, transfers and assigns unto the Assignee, its successors and assigns, all the rights, interest and privileges, which the Assignor, its successors and assigns, as lessor, has and may have in the leases now existing (as more particularly described on Exhibit A attached hereto and hereby incorporated herein by reference) or hereafter made and affecting the real property described below or any part thereof, as said leases may have been or may from time to time be hereafter, modified, extended and renewed, with all rents, income and profits due and becoming due therefrom. The Assignor will, on request of the Assignee, execute assignments of any future leases affecting any part of the Premises (as defined in the hereinafter defined Mortgage).

This Assignment of Rents and Leases (this "Assignment") is made as additional security for the obligations of the Assignor under a certain Housing Loan Agreement dated of even date herewith (the "Loan Agreement") between the Assignor and the Assignee and for the obligations of the Assignor under its promissory note (the "Note") in the principal amount of \$675,000 payable to the Assignee. The obligations of the Assignor under the Loan Agreement and the Note are secured by a certain Junior Mortgage and Security Agreement dated of even date herewith (the "Mortgage") from the Assignor to the Assignee, which Mortgage constitutes a lien on and otherwise relates to certain interests of the Assignor in certain real estate situated in the City of Chicago, Cook County, Illinois, described in Exhibit B attached hereto and hereby incorporated herein by reference, and described in the Mortgage, and the acceptance of this Assignment and the collection of rents or the payments under the leases hereby assigned shall not constitute a waiver of any rights of the Assignee under the terms of the Mortgage. It is expressly understood and agreed by the parties hereto that before an event of default occurs (which has not been cured within any applicable notice and cure periods) under the terms of the Loan Agreement or the Mortgage (an "Event of Default"), the Assignor shall have the right to collect said rents, income and profits from the aforementioned leases and to retain, use and enjoy the same; provided, however, that even before an Event of Default occurs, no rent more than two months in advance shall be collected or accepted without the prior written consent of the Assignee. Anything to the contrary notwithstanding, after the occurrence of an Event of Default, the Assignor hereby assigns to the Assignee any award made hereafter to the Assignor in any court procedure

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involving any of the lessees in any bankruptcy, insolvency or reorganization proceedings in any state or Federal court, and any and all payments made by lessees in lieu of rent. Upon the occurrence of an Event of Default, the Assignor hereby appoints the Assignee as its irrevocable attorney in fact to appear in any action and/or to collect any such award or payment; subject to the condition, however, that if after the occurrence of an Event of Default, said Event of Default shall be cured or waived, the appointment of the Assignee as attorney in fact for the Assignor shall cease and determine.

The Assignor, if an Event of Default has occurred and is continuing, hereby authorizes the Assignee, at its option, to enter and take possession of the Premises and to manage and operate the same, to collect all or any rents accruing therefrom and from said leases, to let or relet the Premises or any part thereof, to cancel and modify leases, evict tenants, bring or defend any suits in connection with the possession of the Premises in its own name or the Assignor's name, make repairs as the Assignee deems appropriate, and perform such other acts, in its own name or the Assignor's name, in connection with the management and operation of the Premises as the Assignee, in its discretion, may deem proper.

The receipt by the Assignee of any rents, issues or profits pursuant to this Assignment after the institution of foreclosure proceedings under the Mortgage shall not cure such default nor affect such proceedings or any sale pursuant thereto. Upon foreclosure of the Mortgage (for which this Assignment serves as additional security), it is understood by the Assignor and the Assignee that the Assignee's rights under this Assignment continue through the period of foreclosure.

The Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Assignor under any of the said leases, and the Assignor hereby agrees to indemnify the Assignee for, and to save it harmless from, any and all liability arising from any of said leases or from this Assignment, other than arising from the Assignee's own gross negligence or willful misconduct, and this Assignment shall not place responsibility for the control, care, management or repair of the Premises upon the Assignee, or make the Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger.

The Assignor covenants and represents that (i) the Assignor has full right and title to assign all leases assigned hereunder and the rents, income and profits due or to become due thereunder; (ii) the standard terms of said leases have not been changed from the standard terms in the copy of said leases submitted to the Assignee for approval; (iii) no other assignment of any interest therein has been made other than to the Senior Lender (as defined in the Loan Agreement); (iv) there are no existing material

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defaults under the provisions thereof; (v) all rents due under any of said leases on or before the date hereof have been paid in full to the Assignor; (vi) no rents under any of said leases have heretofore been collected in advance; (vii) the Assignor has not granted any concession to any lessee under any said leases other than as appears in the terms thereof; (viii) the Assignor will comply with all of the material terms of all of said leases; (ix) the Assignor will promptly give the Assignee a copy of any notice received by the Assignor concerning any material default by the Assignor under any of said leases; and (x) the Assignor will not hereafter cancel, surrender or terminate any of said leases, or exercise any option which might lead to such termination or change, alter or modify any of said leases or consent to the release of any party liable thereunder or to the assignment of any lessee's interest in the lease to which such lessee is a party, other than in the ordinary course of business of the Assignor.

The Assignor hereby authorizes the Assignee, if an Event of Default has occurred and is continuing, to give notice in writing of this Assignment at any time to any tenant under any of said leases.

The full performance of the Loan Agreement and the Mortgage and the duly recorded release or reconveyance of the Premises and security interests described therein shall render this Assignment void.

The net proceeds collected by the Assignee under the terms of this Assignment shall be applied, at the option of the Assignee, to pay all costs and expenses in connection with the management and operation of the Premises, and/or to pay all or any portion of the entire indebtedness from time to time outstanding and secured by the Loan Agreement and the Mortgage. The Assignee shall not be accountable for any monies other than said net proceeds actually received by the Assignee under the terms of this Assignment, nor shall the Assignee be liable for any failure to collect rents or other payments due from lessees under the leases assigned hereunder.

This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns, as well as any subsequent owner of the real estate described herein and any assignee of the Mortgage.

So long as the Senior Mortgage (as hereinafter defined) is in effect and subject to Section 8(b) of the Mortgage, this Assignment is subject and subordinate in each and every respect to any and all rights of any kind created by that certain Construction Loan Mortgage, Security Agreement and Assignment of Leases and Rents (the "Senior Mortgage") from the Assignor to Continental Community Development Corporation (the "Senior Lender") dated April 30, 1991 and recorded as Document No. 90201221 in the Office of the Cook County Recorder of Deeds on 4-30-91, securing a note of even date therewith in the amount of \$771,058 in favor of the Senior Lender.

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IN WITNESS WHEREOF, the Assignor has hereunto set its hand and seal as of the day and year first above written.

WASHINGTON COURT LIMITED PARTNERSHIP

By: THE REZMAR CORPORATION, its sole general partner

By: [Signature]
Its: [Signature]

ATTEST:

By: [Signature]
Its: [Signature]

Property of Cook County Clerk's Office

{Seal}

JFM/WASH-LEASE

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EXHIBIT A

LEASES

NONE

Property of Cook County Clerk's Office

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EXHIBIT B

LEGAL DESCRIPTION:

The East 5 feet 8 inches of Lot 31, and Lots 32, 33, 34 and 35, also the West 13 feet 7-3/4 inches of Lot 36 all in Block 8 in Derby's Addition to Chicago, a subdivision of part of the West 1/2 of the South East 1/4 of Section 9, Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

ADDRESS COMMONLY KNOWN AS: 5032-5040 West Washington Boulevard
Chicago, Illinois 60644

PERMANENT INDEX NO.: 16-09-422-021-0000, Vol. 550

. DEPT-01 RECORDING \$18.00

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. COOK COUNTY RECORDER

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