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COLLATERAL ASSIGNMENT OF NOTE AND MORTGAGE

COLLATERAL ASSIGNMENT OF NOTE AND MORTGAGE, dated as of September 24, 1992 (the "Collateral Assignment"), by and between NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC., an Illinois not-for-profit corporation ("NHS"), and ROBERT R. McCORMICK TRIBUNE FOUNDATION, an Illinois not-for-profit corporation (the "Foundation").

DEPT-01 RECORDING \$43.00
143333 TRAN 3004 09/28/92 09:18:00
#3511 * C * -92-716912
COOK COUNTY RECORDER

RECITALS:

A. The Foundation has approved a program related investment, as defined in Section 4944(c) of the Internal Revenue Code of 1986, in the form of a commitment to make advances ("Advances") to NHS not to exceed in the aggregate \$250,000.00 (the "Commitment"), as NHS may request in accordance with the terms and conditions of a letter agreement with the Foundation dated May 26, 1992 (the "Letter Agreement").

B. The Commitment and the Advances made pursuant thereto are evidenced by a grid promissory note (the "Note") payable to the order of the Foundation in the principal amount of the Commitment, with the amounts of Advances, the amounts repaid and the balance from time to time indorsed on the Note's grid by the Foundation.

C. Pursuant to the Letter Agreement, each of the Advances is to be used by NHS to either: (i) make a loan to its affiliate, Neighborhood Housing Services Redevelopment Corporation ("NHSRC"), to enable NHSRC to acquire, rehabilitate and sell a VA or FHA foreclosed property, as more fully described in the Letter Agreement (an "Acquisition Loan"); or (ii) make a loan to a homeowner to allow the homeowner to undertake home improvement, as more fully described in the Letter Agreement (a "Homeowner Loan").

D. As of the date hereof, the Foundation has made an Advance to NHS in the principal amount of \$44,800.00 (the "Advance") to be used by NHS for either an Acquisition Loan or a Homeowner Loan (such loan by NHS being hereinafter referred to as the "Collateral Loan").

E. NHS is the holder of a certain promissory note made and delivered on March 22, 1991 by NHSRC or a homeowner (the "Homeowner"), as the case may be, in connection with the Collateral Loan, in a principal amount equal to or greater than the amount of the Advance (the "Collateral Note").

F. NHS is the mortgagee under a certain mortgage made and delivered on March 22, 1991 to secure the Collateral Note (the "Collateral Mortgage"), recorded on June 22, 1992 as Document Number 92452002 in the Office of the Recorder of Deeds of Cook County, Illinois, concerning the premises legally described in Exhibit A attached hereto (the "Premises") and by this reference

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incorporated herein (the "Collateral Note" and the "Collateral Mortgage" being hereinafter jointly referred to as the "Collateral Note and Mortgage").

G. The Foundation requires, and NHS is willing to pledge, hypothecate and grant a continuing security interest to the Foundation in and to the Collateral Note and Mortgage and certain other documents relating to the Collateral Loan to secure NHS's obligations under the Note and Letter Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, NHS and the Foundation agree as follows:

1. Pledge. In order to secure its obligations under the Note and the Letter Agreement, NHS hereby pledges, hypothecates, sets over and grants a continuing security interest to the Foundation of all of NHS's right, title and interest in and to: (i) the Collateral Note and Mortgage; (ii) any title insurance policy on the Premises under which NHS is insured by reason of the Collateral Loan; and (iii) any other documents in any way relating to the foregoing (all of the foregoing documents being sometimes hereinafter referred to as the "Collateral").

2. Delivery of Documents. NHS agrees to deliver to the Foundation herewith the originals of the Collateral Note and Collateral Mortgage and all other documents exercised in connection therewith, to be held by the Foundation throughout the term of this Collateral Assignment.

3. Representations, Warranties and Covenants of NHS. NHS represents, warrants and covenants as follows:

(A) NHS is the absolute and exclusive owner of the Collateral and, except for the collateral assignment and security interest herein granted to the Foundation, has not made and shall not make any sale, assignment, pledge, hypothecation or other transfer of the Collateral, or any portion thereof, including any participation in the Collateral, and shall forever warrant and defend the Foundation's title and interest in and to the Collateral against the claims and demands of all persons whomsoever;

(B) Except for the collateral assignment and security interest herein granted to the Foundation, the Collateral is free and clear of all liens, charges, claims, encumbrances and security interests as of the date hereof;

(C) To the best of NHS's knowledge, each of the Collateral Note and Collateral Mortgage represent the valid and legal obligation of NHSRC or the Homeowner, as the case

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may be, enforceable in accordance with their terms, subject to applicable bankruptcy, reorganization, insolvency and other similar laws of general application relating to or affecting creditor's rights and to the general principles of equity;

(D) NHS is unaware of any defense, setoff, counterclaim or other right of non-payment with respect to the Collateral Note;

(E) To the best of NHS's knowledge, no event of default exists, or with the lapse of time would exist, with respect to the Collateral Note or Collateral Mortgage;

(F) The originals of the Collateral Note and Collateral Mortgage delivered herewith are, to the best of NHS's knowledge, after due inquiry, the only originals of these documents, and all copies will be clearly marked as "copies" denoting that the only originals are in the custody of the Foundation;

(G) NHS shall defend, at its own cost, any action, proceeding or claim affecting the Collateral Note or Collateral Mortgage, or rights granted pursuant thereto, unless caused directly by the Foundation's gross negligence or willful misconduct, notwithstanding any language and any document to the contrary;

(H) NHS shall pay reasonable attorneys' fees and other expenses incurred by the Foundation in enforcing its rights hereunder;

(I) NHS shall, upon the Foundation's request, do everything reasonably necessary or expedient to preserve or perfect the security interest of the Foundation created hereby; and

(J) Unless released pursuant to Paragraph 5 hereof, the security interest and rights granted by NHS to the Foundation hereby shall continue so long as there is any indebtedness of any kind owed by NHS to the Foundation under the Note.

4. Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default" hereunder:

(A) NHS (i) fails to pay when due any amount payable under the Note, or any fees, charges, expenses or other amounts payable hereunder or otherwise in default under the Note or the Letter Agreement; or (ii) fails to observe or perform any of the covenants contained in the Note, the Letter Agreement or this Collateral Assignment;

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(B) NHS becomes insolvent, makes an assignment for the benefit of creditors, calls a meeting of creditors to obtain any general financial accommodation, or any case under any provision of the United States Bankruptcy Code or any comparable law of any other jurisdiction, including provisions for reorganizations, is commenced by or against NHS;

(C) Any representation or warranty made herein or by NHS in connection with this Collateral Assignment is false, incorrect, or incomplete when made;

(D) A receiver or trustee is appointed for NHS or for any substantial part of its assets, or any proceedings shall be instituted for the dissolution or the full or partial liquidation of NHS, or NHS shall discontinue its business or change the nature of its business;

(E) Any tax lien is filed of record against NHS, the effect of which would create a lien upon the Collateral; or

(F) A judgment creditor of NHS obtains possession of the Collateral, by any means, including, but without limitation, levy, distraint, or replevin.

5. **Remedies.** If any Event of Default shall occur and be continuing:

(A) The Foundation may, at its election, without notice of such election and without demand, declare and make immediately due and payable, the entire balance of NHS's indebtedness to the Foundation, including but not limited to, all amounts unpaid under the Note;

(B) The Foundation may, after giving any required statutory notice to NHS, exercise all rights and remedies of a secured party under the Uniform Commercial Code in effect in Illinois and any other applicable law, including the right to sell, publicly or privately, the Collateral, or any part thereof, and may apply the net proceeds of any sale, lease, assignment or other disposition of the Collateral, after deducting all costs and expenses of every kind incurred therein or incidental to the taking of the Collateral, or in any way relating to the Foundation's rights hereunder (including reasonable attorneys' fees) to the satisfaction, in whole or in part, of NHS's indebtedness to the Foundation, and any balance of such proceeds remaining after satisfaction in full of all of NHS's indebtedness to the Foundation shall be paid over to NHS or to whoever may be lawfully entitled to receive the same; if notification of intended disposition of the Collateral is required by law, such notification, if mailed, shall be deemed reasonably and properly given if mailed at least five (5) days before such

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disposition, postage prepaid, addressed to NHS at its address indicated herein; or

(C) The Foundation may exercise any and all other rights and remedies to which it is entitled under the Note, the Letter Agreement or this Collateral Assignment.

6. Release and Discharge. The Foundation shall release this Collateral Assignment and its lien and security interest in the Collateral, by proper instrument delivered to NHS, upon the conditions set forth in the Letter Agreement.

7. Notice Upon Default Under Collateral Note or Mortgage. Upon the occurrence of a default or an event of default under the Collateral Note and Mortgage, NHS shall provide written notice of such default or event of default to the Foundation within five (5) business days of its occurrence.

8. Waiver of Liability. Nothing herein contained shall be construed as constituting the Foundation a trustee or mortgagee in possession. In the exercise of the powers herein granted and assigned to the Foundation, no liability shall be asserted or enforced against the Foundation, all such liability being expressly waived and released by NHS and any person or persons claiming by, through or under NHS.

9. Indemnification. NHS shall and does hereby agree to indemnify, protect, save and hold forever harmless the Foundation and its agents (solely for the purposes of this Paragraph 9, collectively, the "Foundation's Indemnitees") from and against any and all liability, loss and damage, including court costs and attorneys' fees and expenses, which the Foundation's Indemnitees, or any of them, may or might incur, suffer or sustain under or by reason of this Collateral Assignment and from and against any and all claims and demands whatsoever which may be asserted against the Foundation's Indemnitees, or any of them, by reason of any alleged or actual obligations or undertakings on the Foundation's part to perform or discharge any of the terms, covenants and agreements contained in this Collateral Assignment, by reason of the enforcement of any of the Foundation's rights under the Note, the Letter Agreement or this Collateral Assignment, or by reason of any loss, damage or injury to the property or person of any other person on or about the Premises or any part thereof, except arising out of the gross negligence or willful misconduct of the Foundation. If any of the Foundation's Indemnitees shall incur any such liability, loss or damage by reason of the Note, the Letter Agreement or this Collateral Assignment, or in the defense of any claims or demands, or otherwise, the amount thereof, including court costs, and attorneys' fees and expenses, shall be secured hereby, and NHS shall, upon demand, immediately reimburse the Foundation's Indemnitees therefor, together with interest thereon

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at the default rate of interest under the Note from the date of demand until reimbursement is made.

10. Parity of Security. This Collateral Assignment and all other collateral assignment documents executed by NHS in favor of the Foundation under the Letter Agreement (collectively the "Security Documents" for the purpose of this Paragraph only) constitute equal security for the payment of the Note, and none of the liens or security interests evidenced by the Security Documents shall be deemed to have preference or priority over any of the other liens or security interests evidenced by the Security Documents, and in the event of a default by NHS under the Note, the Letter Agreement or the Security Documents, the Foundation may realize upon the security given under the Security Documents singly, successively or cumulatively, at such time and in such order as the Foundation may, in its sole discretion, elect.

11. Payment to the Foundation. NHS specifically authorizes and directs NHSRC or the Homeowner, as the case may be, under the Collateral Note and Mortgage, to pay all unpaid sums agreed upon under the Collateral Note and Mortgage to the Foundation upon receipt of written demand from the Foundation stating that an Event of Default exists and directing that payment of such sums be made to the Foundation or such other person(s) as the Foundation may designate. NHS acknowledges and agrees that (i) NHSRC or the Homeowner, as the case may be, under the Collateral Note and Mortgage, shall have the right to rely upon any such demand, and the statements and directions therein contained, of the Foundation, and shall pay the sum due thereunder to the Foundation, without any obligation or right on the part of such person to inquire as to validity or propriety of any such demand by the Foundation and notwithstanding any notice from or claim of NHS to the contrary, and (ii) NHS shall have no right, claim or recourse against any such person, and all such persons are hereby relieved of all duty, liability and obligation to NHS, in respect of all sums so paid to the Foundation.

12. Waiver of Statutory Rights. NHS shall not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the lien and security interest of this Collateral Assignment, but hereby waives the benefit of such laws. NHS, for itself and all who may claim through or under it, waives any and all right to have the property comprising the Collateral marshalled upon any foreclosure of the lien and security interest hereof and agrees that any court having jurisdiction to foreclose such lien and security interest may order the Collateral sold as an entirety. NHS DOES HEREBY EXPRESSLY WAIVE ANY AND ALL RIGHTS OF REDEMPTION FROM SAME UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE OF THE LIEN OF THIS COLLATERAL ASSIGNMENT ON BEHALF OF NHS AND EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF NHS, IN ITS REPRESENTATIVE

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CAPACITY ACQUIRING ANY INTEREST IN OR TITLE TO THE COLLATERAL SUBSEQUENT TO THE DATE OF THIS COLLATERAL ASSIGNMENT. NHS REPRESENTS AND WARRANTS THAT NHS HAS BEEN AND IS AUTHORIZED AND EMPOWERED TO MAKE THE FOREGOING WAIVER.

13. Power of Attorney. NHS hereby irrevocably constitutes and appoints the Foundation or any present or future officer or agent of the Foundation, and in the name of NHS or otherwise, upon the occurrence of any Event of Default hereunder, and so long as the same shall be continuing, to act as NHS's true and lawful attorney-in-fact, with power, all without notice to or assent of NHS, to take possession of and endorse any note, draft, instrument, chose in action and any other form of obligation relating to the Collateral, to pay or discharge taxes, liens, security interests or other encumbrances at any time levied or placed on or threatened against the Collateral, and to demand, collect, receipt for, compromise, settle and sue for monies due in respect of the Collateral; and NHS hereby ratifies all that said attorney shall lawfully do or cause to be done by virtue thereof. This power of attorney is deemed to be coupled with an interest and shall be irrevocable so long as any obligations under the Note are outstanding.

14. Cumulative Rights. The rights accorded the Foundation by this Collateral Assignment are in addition to, and not in substitution or limitation of, any rights, remedies, powers or authority of the Foundation under the Letter Agreement and the Note. All rights, remedies, powers or authority of the Foundation under this Collateral Assignment, the Letter Agreement and the Note, or any other instrument relating to this transaction, or under now existing or hereafter arising applicable law, are distinct and cumulative and may be exercised concurrently, independently or successively.

15. Requested Documents. NHS agrees that at any time and from time to time, upon the written request of the Foundation, it will promptly and duly execute and deliver any and all such further instruments and documents as the Foundation may reasonably request in obtaining the full benefits of this Collateral Assignment, the rights and powers herein granted and the liens and security interest granted to the Foundation hereby. Upon NHS's failure to so execute and deliver further instruments and documents, the Foundation is authorized as agent of NHS to sign any such instruments and documents.

16. Notices. All notices, requests, demands or other instruments required or contemplated to be given or delivered hereunder shall be in writing and delivered either personally or by United States mail (postage prepaid; first class or, at the option of the sender, registered or certified; with or without return receipt requested).

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Notices to NHS
shall be addressed to:

Neighborhood Housing Services
of Chicago, Inc.
747 North May Street
Chicago, Illinois 60622

Notices to the Foundation
shall be addressed to:

Robert R. McCormick Tribune
Foundation
435 North Michigan Avenue
Suite 770
Chicago, Illinois 60611
Attn: Nicholas Goodban

A notice delivered by mail is given on the date placed in the United States mail for delivery. Any party may change the address to which any such notice, request, demand or other instrument is to be delivered by furnishing written notice of such change to the other party, but no such notice of change shall be effective unless and until actually received.

17. **No Waiver.** No delay or failure by the Foundation in the exercise of any right or remedy shall constitute a waiver thereof and no single or partial exercise by the Foundation of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right in whole or in part.

18. **Severability.** Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

19. **Recordation.** The Foundation shall be entitled to record this Collateral Assignment if it deems in its sole discretion such action to be necessary in order to protect its security interest in the Collateral.

20. **Governing Law; Successors and Assigns.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois. This Agreement shall be binding upon NHS, its successors and assigns and shall inure to the benefit of the Foundation, its successors and assigns.

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IN WITNESS WHEREOF, NHS and the Foundation have caused this Agreement to be duly executed and delivered in Chicago, Illinois as of the date first above written.

ROBERT R. McCORMICK TRIBUNE FOUNDATION

By: *Nicholas Goodban*
Nicholas Goodban
Vice-President of Philanthropy

NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC.

By: *M. Mitchell*
Its: *Executive Director*

Attest: *Paul J. Cassidy, Esq.*

Alexa M. Lenczner
Assistant Secretary

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THIS INSTRUMENT PREPARED BY AND UPON RECORDATION SHOULD BE RETURNED TO:

John P. Vail, Esq.
WILSON & McILVAINE
500 West Madison Street, Suite 3700
Chicago, Illinois 60661
(312) 715-5000

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

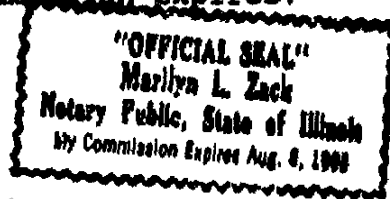
I, MARILYN L. ZACK, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY THAT NICHOLAS GOODMAN, VICE-PRESIDENT OF PHILANTHROPY of ROBERT R. MCCORMICK TRIBUNE FOUNDATION, an Illinois not-for-profit corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such VICE-PRESIDENT OF PHILANTHROPY appeared before me this date in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 24th day of September 1992.

[NOTARY SEAL]

Marilyn L. Zack
Notary Public

My Commission Expires:



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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Dolly G. Jenkins, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY THAT BRUCE A. GOTTSMILL, EXECUTIVE DIR of NEIGHBORHOOD HOUSING SERVICES OF CHICAGO, INC., an Illinois not-for-profit corporation, and DORNA M. UMCKE, ASSISTANT Secretary of said corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such EXECUTIVE DIRECTOR and ASSISTANT Secretary, respectively, appeared before me this date in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth; and the said ASSISTANT Secretary then and there acknowledged that said ASSISTANT Secretary, as custodian of the seal of said corporation, did affix the seal of said corporation to said instrument as said ASSISTANT Secretary's own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 24th day of September, 1992.

[NOTARY SEAL]

Dolly G. Jenkins
Notary Public

My Commission Expires:

"OFFICIAL SEAL"
DOLLY G. JENKINS
Notary Public, State of Illinois
My Commission Expires 6/20/94

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EXHIBIT A

LEGAL DESCRIPTION

Lot 34 and the East 1/2 of Lots 35 in Huntington's Subdivision of the South 1/2 of Lot 15 (except the West 67 feet thereof) in the School Trustees Subdivision of Section 16, Township 37 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Address of Property:

318 W. 105th Street
Chicago, Illinois 60628

Permanent Index No:

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