

ASSIGNMENT OF LEASES AND RENTS

This Assignment of Leases and Rents (the "Assignment") dated as of April 1, 1992, is made and executed by Castle Candy Company, an Illinois corporation ("Assignor"), in favor of Bank Leumi Le-Israel B.M., Chicago Branch ("Assignee").

RECITALS

I. Assignee has agreed to make an installment loan to Assignor in an amount not to exceed \$72,000.00 (the "Loan").

II. The Loan is evidenced by that certain "Demand Secured Business Note (Installment -- Variable Rate)" of even date herewith executed by Assignor in favor of Assignee in the principal amount of \$72,000.00 (the "Note"). The payment of the Note is secured by: (a) this Assignment, (b) a "Negative Pledge Agreement" of even date herewith, and (c) a Security Agreement of even date herewith.

DEPT-01 RECORDING \$39.50
701111 TRAN 7101 05/12/92 12:54:00
#8929 + A *-92-324385
COOK COUNTY RECORDER

GRANTING CLAUSES

To secure the payment of the indebtedness evidenced by the Note and the payment of all amounts due under and the performance and observance of all covenants and conditions contained in this Assignment, the Note, and all other security agreements, assignments of leases and rents, guaranties, and any other documents and instruments and any and all renewals, extensions, replacements, and amendments hereof or thereof, now or hereafter executed by Assignor to secure or guaranty the payment of indebtedness under the Note (all of the foregoing being collectively referred to as the "Loan Instruments" and individually as a "Loan Instrument") (all indebtedness and liabilities secured hereby being referred to hereafter as the "Liabilities"), Assignor hereby assigns to Assignee all of the right, title, and interest of Assignor in and to:

(a) All oral and written leases with, or other agreements or licenses for use or occupancy made by, any person or entity, and any and all amendments, extensions, renewals, modifications, and replacements thereof pertaining to all or any part of the following property:

That part of (except the North 50 feet thereof and except that part thereof lying in Dixie Highway cut-off) the Northeast 1/4 of the Northwest 1/4 of Section 20, and that part lying west of Dixie Highway cut-off of the Northwest 1/4 of the Northeast 1/4 of Section 20, all in Township 35 North, Range 14, East of the Third Principal Meridian, described as follows:

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Beginning at a point on the Southwesterly line of Dixie Highway cut-off 886.0 feet (as measured along the aforesaid Southwesterly line of Dixie Highway cut-off) Northwesterly of the South line of the Northwest 1/4 of the Northeast 1/4 of said Section 20; thence Southwesterly at 90 degrees to said line for a distance of 742.10 feet; thence Northwesterly along a line parallel with the Southwesterly line of Dixie Highway cut-off a distance of 720.04 feet; thence Northeasterly along a line which forms an interior angle of 89 degrees 51 minutes 20 seconds with the last described course for a distance of 408.60 feet to a point of curve; thence running along said curve, convex Southeasterly, having a radius of 50.0 feet, for an arc distance of 46.16 feet to a point of tangency; thence North along a line tangent to said curve, for a distance of 163.56 feet to the South line of Tenth Street (being a line 50.0 feet South of the North line of said Northwest 1/4 of Section 20); thence east along said South line 244.85 feet to a point in the Southwesterly line of Dixie Highway cut-off; thence Southeasterly along said Southwesterly line a distance of 720.40 feet to the point of beginning; in Cook County, Illinois;

[hereinafter, "the Property"]

Permanent R/E Index Number: 32-20-205-013-1000

whether such leases, agreements, or licenses have been heretofore or are hereafter made or agreed to (such leases, agreements and licenses being collectively referred to herein as the "Leases");

(b) The rents which are due or may hereafter become due pursuant to any of the Leases and any other payments in addition to rent made by or due from any and all lessees, users, or occupants under the Leases, including without limitation security deposits and any monies, awards, damages, or other payments made or due under the Leases (which rents and payments together with any and all other rents, issues, profits, income, and revenues which may now or hereafter arise in connection with the ownership or operation of the Property are collectively referred to as the "Rents");

(c) All rights, powers, privileges, options, and other benefits (collectively referred to as the "Rights") of Assignor under the Leases, including without limitation:

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- (i) The immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, insurance proceeds, condemnation awards, monies, and security deposits or the like;
 - (ii) The right to make all waivers and agreements, including any waivers pertaining to the obligations of lessees;
 - (iii) The right to give all notices, permissions, consents, and releases, including without limitation consents to any instrument which subordinates or makes paramount the interest of a lessee to another instrument;
 - (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct, and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
 - (v) The right to do any and all other things whatsoever which Assignor is or may become entitled to do under the Leases, including without limitation the right to cancel or alter leases;
 - (vi) The right to exercise any option required or permitted under any of the Leases;
 - (vii) The right to execute new leases of the Property;
 - (viii) The rights, powers, privileges, and other benefits of Assignor under any and all security for, or guaranties of, any of the Leases;
- (d) All books and records of Assignor with respect to the Leases, Rents, and Rights (collectively referred to as the "Books");

[the Leases, Rents, Rights, and Books being sometimes collectively referred to as the "Collateral"]; and

Assignor authorizes Assignee:

- (A) To manage the Property and take possession of the Books;
- (B) To prosecute or defend any suits in connection with the Property or enforce or take any other action in connection with the Leases in the name of Assignee;
- (C) To make such repairs to the Property as Assignee may deem advisable; and

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- (D) To do any and all other things with respect to the Property and the Collateral which an absolute owner or landlord has the right to do.

I.

Covenants, Representations, and Warranties

1.1. Present Assignment. Notwithstanding that this Assignment constitutes a present assignment of Leases and Rents, Assignor may, subject to the terms of paragraph 1.2 hereof, collect the Rents and manage the Property in the same manner as if this Assignment had not been given, but only if and for so long as an "Event of Default" (as defined hereafter) has not occurred. If an Event of Default occurs, the right of Assignor to collect the Rents and to manage the Property shall thereupon automatically terminate, and such right together with the other rights, powers, and authorizations contained herein shall belong exclusively to Assignee, whether or not Assignee takes possession of the Property.

1.2. Power Coupled with Interest. This Assignment of Leases and Rents confers upon Assignee a power coupled with an interest and cannot be revoked by Assignor.

1.3. No Other Assignment. Assignor represents and warrants to, and covenants with, Assignee as follows: (i) Assignor is the sole owner of the lessor's entire interest in the Leases and the other Collateral and has full right to assign the Collateral; (ii) there has been no previous assignment and, without Assignee's prior written consent, Assignor will permit no future assignment (as collateral or otherwise) of the lessor's right, title, or interest in any of the Leases or other Collateral (other than pursuant to the other Loan Instruments); (iii) the Leases are valid and enforceable in accordance with their terms and have not been altered, modified, or amended in any manner whatsoever; (iv) the lessees are not in default under the Leases and have no defenses, set-offs, or counterclaims against the lessor under the Leases; (v) no rent reserved in the Leases has been assigned; and (vi) no rent for any period subsequent to the date hereof has been collected more than thirty (30) days in advance of the time when said rent becomes or would become due under the terms of the Leases.

1.4. Covenants. Assignor covenants with Assignee that (i) it will not modify, change, alter, supplement, amend, cancel, surrender or accept surrender of any of the Leases without Assignee's consent; (ii) it will not consent to any assignment or subletting of the lessee's interest under any of the Leases (except to wholly owned subsidiaries or affiliates of lessees) without Assignee's consent; (iii) it will not accept rent more than thirty (30) days in advance under any of the Leases; and (iv) it will not assert any claim or take any action against

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any lessee under any of the Leases, or otherwise seek recovery, damages or other relief against any such lessee, which would have the effect of relieving such lessee from any obligation or liability or which would affect, impair, or discharge any right of Assignee.

1.5. Further Assurances. Assignor shall execute and deliver, at the written request of Assignee, all such further assurances and assignments as Assignee from time to time shall determine are necessary to effectuate the terms and provisions of this Assignment.

1.6. Assignee to Be Creditor of Lessees. Assignee shall be deemed to be the creditor of each lessee under the Leases in any assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, receivership, or probate proceedings affecting such lessee (without any obligation on the part of Assignee to file claims or otherwise to pursue creditor's rights in such proceedings). All monies received in connection with any such proceedings or occurrences shall constitute additional Rents hereunder.

II.

Defaults and Remedies

2.1. Event of Default. The term "Event of Default," whenever used in this Assignment, shall mean any one or more of the following events:

(a) If Assignor shall (i) fail to pay (A) any payment of principal within five (5) days after written notice that such payment is past due under the Note, whether at maturity or otherwise; or (B) any payment of interest within five (5) days after written notice that such payment is past due under the Note; or (ii) fail to keep, perform, or observe any other covenant, condition, or agreement on the part of Assignor in this Assignment and such failure shall continue for five (5) days after written notice.

(b) If a default or "Event of Default" shall occur under any of the Loan Instruments and the same is not cured within such cure, grace, or other period, if any, provided in such Loan Instrument.

2.2. Exercise of Assignee's Rights.

(a) Assignee may exercise its rights as provided in this Assignment without regard to the adequacy of the security and without waiving any other remedy available to Assignee and without waiving any Event of Default;

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(b) In the event Assignee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to Assignor such rights, this Assignment shall not be terminated, but shall remain in full force and effect until the Liabilities are paid in full, it being the intent of the parties that Assignee shall, until release of this Assignment, have all the rights granted hereby and be able to exercise them from time to time if an Event of Default occurs.

2.3. Nature of Remedies. No delay or omission on the part of Assignee in the exercise of any remedy for an Event of Default shall operate as a waiver thereof. The remedies available to Assignee under this Assignment shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the other Loan Instruments. Said remedies shall be cumulative and concurrent, may be pursued separately, successively, or together against Assignor or the Property at the sole discretion of Assignee, and may be exercised as often as occasion therefor shall arise.

2.4. Application of Rents. Assignee may apply the Rents in such order as Assignee may determine to the payment of the Liabilities (first to accrued interest and then to principal), and all expenses for the care and management of the Property, including taxes, insurance, assessments, management fees, usual and customary commissions to real estate brokers for leasing real estate, and expenses and fees of all attorneys, agents, and employees engaged in connection with the exercise of the rights and powers granted to Assignee hereunder. The receipt by Assignee of any Rents pursuant to this Assignment following an Event of Default and the exercise of any remedies provided for herein or in the other Loan Instruments shall not cure such Event of Default or affect or prejudice the exercise of such remedies.

2.5. Limitation of Assignee's Obligations. Assignee's obligations as to any Rents actually collected shall be discharged by application of such Rents to any of the purposes specified in Paragraph 2.4 hereof. Assignee shall not be liable for uncollected Rents or failure to collect Rents or for any other claim for damages or set-offs arising out of Assignee's management of the Property. Assignee shall not be liable to any lessee for the return of any security deposit made under any Lease unless Assignee shall have received such security deposit from the lessor or such lessee. Assignee shall not by reason of this Assignment or the exercise of any right granted herein be obligated to perform any obligation of the lessor under any of the Leases, nor shall Assignee be responsible for any act committed by the lessor, or any breach or failure to perform by the lessor with respect to any of the Leases. Nothing contained herein shall be deemed to have the effect of making Assignee a mortgagee in possession of the Property or any part thereof.

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2.6 Reimbursement. Assignor shall reimburse Assignee for and indemnify Assignee against all expenses, losses, damages, and liabilities which Assignee may incur by reason of this Assignment or the exercise of any of the rights granted hereunder. Any and all amounts due to Assignee under this Paragraph 2.6 shall be immediately due and payable, shall be added to the Liabilities, shall bear interest after disbursement by Assignee at an interest rate equal to the "Default Rate" (as defined in the Note), and shall be secured by this Assignment and the other Loan Instruments.

III.

Miscellaneous

3.1. Modification of Loan Terms. If the time of payment of any indebtedness secured hereby is extended at any time or times, if the Note is renewed, modified, or replaced, or if any security for the Note is released, Assignor and any other parties now or hereafter liable therefor or interested in the Property shall be deemed to have consented to such extensions, renewals, modifications, replacements, and releases, and their liability and the lien hereof and of the other Loan Instruments shall not be released and the rights created hereby and thereby shall continue in full force, the right of recourse against all such parties being reserved by Assignee.

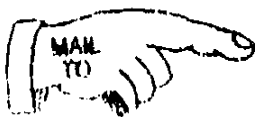
3.2. Successors and Assigns. This Assignment shall inure to the benefit of Assignee and its successors and assigns, and shall be binding upon Assignor and its successors and assigns, and all persons and entities (including owners and lessees) which may hereafter have any interest in the Property.

3.3. No Merger. Notwithstanding the conveyance or transfer of title to any or all of the Property to any lessee under any of the Leases, the lessee's leasehold estate under such Lease shall not merge into the fee estate and the lessee shall remain obligated under such lease as assigned by this Assignment.

3.4. Notices. All notices, reports, requests, demands, or other instruments required or given under this Assignment to Assignor or Assignee shall be directed to Assignor or Assignee, as the case may be, at the following addresses:

If to Assignee, to:

Bank Leumi Le-Israel B.M.,
Chicago Branch
100 N. LaSalle Street
Chicago, Illinois 60602



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If to Assignor, to:

Castle Candy Company
614 West Monroe Street
Chicago, Illinois 60661

Notices shall be either (i) personally delivered to the addresses set forth above, in which case they shall be deemed delivered on the date of delivery, (ii) sent by certified or registered mail, return receipt requested, in which case they shall be deemed delivered on the date of delivery set forth in the return receipt, or (iii) sent by air courier (Federal Express or like service), in which case they shall be deemed received on the date of delivery. Any party may change the address to which any such notice, report, demand, or other instrument is to be delivered by furnishing written notice of such change to the other parties in compliance with the foregoing provisions.

3.5. Headings. The headings of the articles, sections, paragraphs, and subdivisions of this Assignment are for convenience only, are not to be considered a part hereof, and shall not limit, expand, or otherwise affect any of the terms hereof.

3.6. Partial Invalidity. In the event that any of the covenants, agreements, terms, or other provisions contained in the Note, this Assignment, or in any other Loan Instrument shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining covenants, agreements, terms, or provisions contained herein or in the Note or in any other Loan Instrument (or the application of the covenant, agreement, or term held to be invalid, illegal, or unenforceable, to persons or circumstances other than those in respect of which it is invalid, illegal, or unenforceable) shall be in no way affected, prejudiced, or disturbed thereby.

3.7. Changes. Neither this Assignment nor any term hereof may be released, changed, waived, discharged, or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge, or termination is sought. To the extent permitted by law, any agreement hereafter made by Assignor and Assignee relating to this Assignment shall be superior to the rights of the holder of any intervening lien or encumbrance.

3.8. Governing Law. This Assignment shall be construed, interpreted, enforced, and governed by and in accordance with the laws of the State of Illinois.

3.9. Future Advances. This Assignment is given to secure not only existing indebtedness, but also such future advances, whether such advances are obligatory or are to be made at the option of Assignee, or otherwise, as are made by Assignee under

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the Note, to the same extent as if such future advances were made on the date of the execution of this Assignment.

IN WITNESS WHEREOF, the parties have executed this "Assignment of Leases and Rents" as of the day and year first above-written.

ASSIGNOR:

Castle Candy Company,
an Illinois corporation

By: Harry A. Teentant
Title: SECRETARY

ASSIGNEE:

Bank Leumi Le-Israel B.M.,
Chicago Branch, an Israeli
banking corporation

By: Daniel Rein
Title: V.P.

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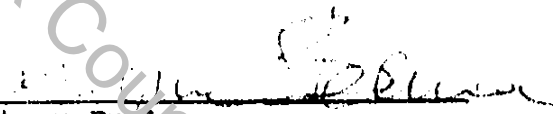
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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned a Notary Public in and for the said County, in the State aforesaid, do hereby certify that Gary A. Weintraub, Secretary of Castle Candy Company, an Illinois corporation and Daniel Rein, Vice President of Bank Leumi Le-Israel B.M., Chicago Branch, an Israeli Banking corporation appeared before me this day in person and acknowledged and signed the foregoing instrument as their free and voluntary act for the uses and purposes herein set forth.

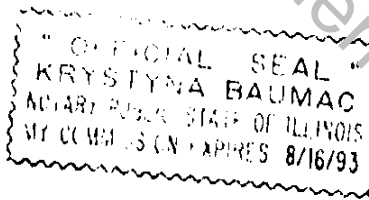
Given under my hand and notarial seal this 6th day of May, 1992.

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Notary Public

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Mail to:
Bank Leumi Le-Israel B.M.
NON-A-SALLE
Chicago, IL 60602