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94774356

THIS DOCUMENT PREPARED BY  
AND WHEN RECORDED MAIL TO:

Charity & Associates  
20 North Clark Street, Suite 803  
Chicago, Illinois 60602  
Attention: Elvin E. Charity



DEPT-01 RECORDING \$47.50  
T#2222 TRAM 7748 09/01/94 16:37:00  
69793 ÷ K.P. # - 94 - 774356  
COOK COUNTY RECORDER

## ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS ("Assignment") is made as of the 31<sup>st</sup> day of August, 1994, from LPW LIMITED PARTNERSHIP, an Illinois limited partnership ("Assignor"), with a mailing address c/o Rezmar Corporation, 853 North Elston, Chicago, Illinois 60622, to THE NORTHERN TRUST COMPANY, an Illinois banking corporation, with a mailing address at Fifty South LaSalle Street, Chicago, Illinois 60675 and its successors and assigns ("Assignee").

### RECITALS

A. Assignor and Assignee have entered into a Multi-Family Residential Rehabilitation Loan Agreement of even date herewith ("Loan Agreement"), pursuant to which Assignee agreed to make a loan to Assignor in the principal amount of Two Million Four Hundred Thirty-Five Thousand and No/100 United States Dollars (U.S. \$2,435,000.00) ("Loan"), subject to the terms and conditions and for the purposes set forth in the Loan Agreement.

B. As evidence of the Loan, Assignor has executed and delivered to Assignee a promissory note of even date herewith ("Note"), payable to the order of Assignee in the principal amount of Two Million Four Hundred Thirty-Five Thousand and No/100 United States Dollars (U.S. \$2,435,000.00), payment of which is secured by a Construction Mortgage, Security Agreement and Financing Statement of even date herewith ("Mortgage") from Assignor covering certain real property, and all of Assignor's right, title and interest in the improvements now existing or to be constructed thereon, legally described in Exhibit A hereto ("Premises"), as well as other security described in the Loan Agreement.

C. The execution and delivery of this Assignment is a condition to the performance by Assignee of its obligations under the Loan Agreement.

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, in order to secure the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor agrees as follows:

1. Assignor hereby sells, assigns and transfers unto Assignee any and all leases or subleases, whether written or verbal, and any and all lettings, and any and all agreements for the use or occupancy, of the Premises, 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 Assignee under the powers herein granted (collectively, "Leases"), together with all the rents, issues and profits now due and which may hereafter become due under or by virtue of any Lease, it being the intention hereby to establish an absolute transfer and

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assignment of all Leases and all the rents, issues, profits and avails thereunder, to Assignee. Assignor hereby irrevocably appoints Assignee its true and lawful attorney-in-fact, effective upon the occurrence of a Default (as hereinafter defined) hereunder, with full power of substitution, either in the name of Assignee or in the name of Assignor (with or without taking possession of the Premises as provided in Section 3 hereof) to exercise any of the rights and powers granted under Section 3 hereof and to rent, lease or let all or any portion of the Premises to any party or parties at such rental and upon such terms as Assignee shall determine, in its sole discretion, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, which is now due or may hereafter become due under each and every of the Leases with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Assignee would have upon taking possession pursuant to the provisions of Section 3 below.

2. Assignor represents and agrees that no rent (exclusive of security deposits) has been or will be paid by any person in possession of any portion of the Premises for more than one month in advance and that no payment of the rents to accrue for any portion of the said Premises has been or will be waived, released, reduced, discounted or otherwise discharged or compromised by Assignor without the prior consent of Assignee. Notwithstanding the above, Assignor may, without Assignee's prior consent, waive, release, reduce, discount or otherwise discharge or compromise the payment of rents that have accrued for a period not in excess of one month. Assignor represents that it has not heretofore assigned and agrees that it will not hereafter assign any of the rents or profits of the Premises, except to the City of Chicago for the Subordinate Mortgage (as defined in the Loan Agreement). Assignor further agrees to perform (or cause to be performed) all material covenants, agreements and obligations of landlord or lessor under each of the Leases to the extent not waived in writing by the other party thereto so as to avoid a default by landlord thereunder. Assignor further agrees that if Assignor, as landlord or lessor, defaults in any material respect under any Lease and such default continues beyond any applicable notice and cure period, Assignee shall have the right (but not the obligation) to cure such default regardless of whether any notice or cure period granted to Assignor under the Loan Documents has then expired. To the extent Assignee has made any advances or payments or incurred any expenses, fees or costs to cure such default, all such amounts shall be repaid to Assignee by Assignor immediately upon demand, with interest on all such amounts at the interest rate as set forth in the Note. Assignor further agrees that it shall not enter into or agree to any material amendment or modification of any Lease, or cancel, terminate or surrender any Lease, or enter into any agreement which grants any concession with respect to any Lease or which materially compromises, discounts or otherwise reduces the rent called for under any Lease, except for good cause. This assignment and grant shall continue in effect until Assignor's obligations under the Loan Agreement are fully performed and satisfied and the Loan, together with all other indebtedness secured hereby, is repaid in full.

3. In the event of a Default (as hereinafter defined), Assignor shall, forthwith, upon demand by Assignee, surrender to Assignee, and Assignee shall be entitled to take actual possession of, the Premises or any part thereof personally or by its agent or attorneys. In such event, Assignee in its discretion may, in accordance with law, enter upon and take and maintain possession of all or any part of the Premises together with all documents, books, records, papers and accounts of Assignor or the then owner or party in possession of the Premises relating thereto and may exclude the then owner or party in possession of the Premises relating thereto and may exclude Assignor's or, to the extent permitted by law, said owner's or party's respective agents or servants wholly therefrom and may, as attorney-in-fact, as agent for Assignor or in its own name as Assignee, 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, and with full power to use such measures, legal or equitable, as in its discretion or in the

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discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power: (a) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Assignor to cancel the same; (b) to elect to disaffirm any lease or sublease which is then subordinate to this Assignment; (c) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity of the Loan pursuant to the Loan Agreement or as described hereinabove, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Assignor and all persons whose interests in the Premises are subject to this Assignment; (d) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as Assignee may deem judicious; (e) to insure and reinsure the same and all risks incidental to Assignee's possession, operation and management thereof; and (f) to receive all of such avails, rents, issues and profits. Subject to the limitations contained in Section 5 below, Assignor hereby grants Assignee full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times after the occurrence of a Default, without notice to Assignor, except for any notice of Default expressly provided for herein or in the other Loan Documents (as hereinafter defined).

4. A "Default" shall exist upon the occurrence of any of the following: (a) Assignor defaults in the performance of its obligations under this Assignment, which default is not remedied within thirty (30) days after written notice thereof, provided that, notwithstanding the foregoing, if the default is such that it is not reasonably capable of being cured within thirty (30) days, and if Assignor (i) initiates corrective action within said period, and (ii) diligently, continually and in good faith works to effect a cure as soon as possible, then Assignor shall have such time (not in excess of ninety (90) days in the aggregate) reasonably necessary to cure the default, or (b) a default occurs under the Note, the Loan Agreement or any other documents or instruments evidencing or securing the Loan or the obligations of Assignor under the Loan Agreement (collectively, "Loan Documents"), which remains uncured after the expiration of any applicable notice, cure or grace period.

5. Assignee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any of the Leases. Assignor shall and does, except to the extent caused by Assignee's gross negligence or wilful misconduct, agree to indemnify and hold Assignee harmless of and from any and all liability, loss or damage, including, without limitation, reasonable attorneys' fees and expenses related thereto, which Assignee may or might incur by reason of its performance of any action authorized under this Assignment and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements of Assignor. Nothing herein contained shall be construed as constituting Assignee in possession in the absence of the taking of actual possession of the Premises by Assignee pursuant to this Assignment. In the exercise of the powers herein granted Assignee, no liability shall be asserted or enforced against Assignee, all such liability, to the extent permitted by law, being expressly waived and released by Assignor, its successors and assigns.

6. Assignee, in the exercise of the rights and powers hereinabove conferred upon it, 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 Assignee may determine:

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(a) to the payment of the operating expenses of the Premises, including, but not limited to, the cost of the management and leasing thereof (which shall include reasonable compensation to Assignee and its agent or agents, if management be delegated to an agent or agents, and shall include lease commissions and other compensation and expenses actually incurred of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Premises, and of placing the Premises in such condition as will, in the reasonable judgment of Assignee, make it readily rentable;

(d) to the repayment of principal and interest on the Loan and to the payment of all other sums which Assignor is obligated to pay under the Loan Agreement and the other Loan Documents; and

(e) any excess to be paid to Assignor.

7. Although it is the intention of the parties that the assignment contained herein shall be a present assignment, it is expressly understood and agreed, anything contained in this Assignment to the contrary notwithstanding, that Assignee shall not exercise any of the rights or powers conferred upon it hereby until a Default shall occur or arise. Any avails, rents, issues and profits collected and received by Assignor after the occurrence of a Default shall be deemed collected and received by Assignor in trust for Assignee and Assignor shall account to Assignee for the full amount of such collections and receipts.

8. Assignor further agrees to assign and transfer to Assignee all future Leases upon all or any part of the Premises and to execute and deliver, at the request of Assignee, all such further assurances and assignments in the Premises necessary to perfect such security interests as Assignee shall from time to time reasonably require. Assignor shall pay Assignee the reasonable expenses incurred by Assignee in connection with the preparation, execution and recording of any such assignment or agreement.

9. This Assignment is given as collateral security for the indebtedness and obligations described herein and the execution and delivery hereof shall not in any way impair or diminish the obligations of Assignor or any other person under any of the Loan Documents, nor shall this Assignment impose any obligation on Assignee to perform any provision of any Lease or any responsibility for the nonperformance thereof by Assignor or any other person. This Assignment is given as a primary assignment of the rights described herein and such assignment shall not be deemed secondary to any other collateral securing the performance of Assignor's obligations under the Loan Agreement or any of the other Loan Documents. Assignee shall have the right to exercise any rights under this Assignment before, together with or after exercising any other rights under any of the Loan Documents.

10. Each and all of the covenants and obligations of this Assignment shall be binding upon and inure to the benefit of the parties hereto, and except as herein otherwise specifically provided, their respective successors and assigns, subject at all times nevertheless to all agreements and restrictions contained in the Loan Documents.

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11. All notices, demands, deliveries and other communications required under this Assignment or desired by the parties hereto shall be given in the manner provided, and to the addresses specified, in the Loan Agreement.

12. This Assignment shall be construed, interpreted and governed by the internal laws of the State of Illinois.

13. Whenever possible, each provision of this Assignment shall be interpreted in such manner as to be effective and valid under the applicable law, but if any provision of this Assignment shall be prohibited by, invalid, or unenforceable under such law, such provision shall be ineffective to the extent of such prohibition, invalidity, or unenforceability without invalidating the remainder of such provision or the remaining provisions of this Assignment.

14. This Assignment cannot be waived, modified or amended unless such waiver, modification or amendment is in writing and signed by each of the Assignor and Assignee.

15. The Loan is a nonrecourse obligation of Assignor. Neither Assignor nor any of its general or limited partners shall have any personal liability for repayment of the Loan, except in the event of fraud, gross misrepresentation of material fact or the misapplication or misappropriation of insurance proceeds or condemnation awards relating to the Premises. The sole recourse of Assignee under the Loan Documents, excluding Lender's rights of recourse provided hereunder or under Paragraph 8.16 and Paragraph 8.21 of the Loan Agreement and the Environmental Indemnity from Assignor in favor of Assignee delivered pursuant to Paragraph 2.1(c) of the Loan Agreement, for repayment of the Loan shall be the exercise of its rights against the Premises and related security thereunder. Under no circumstances shall anything herein contained be construed to impose any personal liability on any limited partner of the Borrower.

16. The Mortgage Loan Rider ("Rider") attached hereto is by this reference incorporated herein and made a part hereof. In the event of a conflict between the provisions hereinabove contained and the provisions of the Rider, the provisions of the Rider shall govern and control.

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IN WITNESS WHEREOF, Assignor has caused these presents to be signed by duly authorized officers as of the day and year first above written.

ASSIGNOR:

**LPW LIMITED PARTNERSHIP**, an Illinois limited partnership

By: **REZMAR CORPORATION**, an Illinois corporation, general partner

By: Justin Fishman  
Its: Vice President

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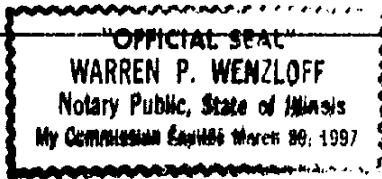
STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that the above named *Jerdi Fishman*, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, as the *Vice President* of Reymar Corporation, an Illinois corporation, the general partner of LPW Limited Partnership, an Illinois 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 said corporation and said partnership, for the uses and purposes herein set forth.

Given under my hand and Notarial Seal this 31<sup>st</sup> day of August, 1994.

*Warren P. Wenzloff*  
\_\_\_\_\_  
Notary Public

My Commission Expires:



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## EXHIBIT A

### LEGAL DESCRIPTION

4655 South Lake Park  
Chicago, Illinois 60653

Lots 5 (except the North 20 feet thereof) and all of Lots 6 and 7 in Sherman's subdivision of Lots 5 and 6 in Lyman's subdivision of that part lying west of the Illinois Central Railroad of the Southeast Fractional 1/4 of Section 2, Township 38 North, Range 14, east of the third principal meridian, in Cook County, Illinois.

PIN: 20-02-405-051; 20-02-405-052; and 20-02-405-053

5606 South Wabash Avenue  
Chicago, Illinois 60637

Lots 4, 5, 8 and 9 (except so much of lots as used for Wabash Avenue) in Block 3 in Winston's subdivision of Lots 3 and 4 in Newhall, Larned and Woodbridges' subdivision of Part of the Northwest 1/4 of Section 15, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

PIN: 20-15-107-019

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## MORTGAGE LOAN RIDER

This Mortgage Loan Rider ("Rider") is attached to and made a part of the Adjustable Rate Promissory Note, the Construction Mortgage, Security Agreement and Financing Statement, the Multi-Family Residential Rehabilitation Loan Agreement ("Loan Agreement"), and other document(s) evidencing, securing, and governing a loan in the amount of **Two Million Four Hundred Thirty-Five Thousand Dollars (\$2,435,000)** (the "Loan") made by **The Northern Trust Company ("Lender")** to **LPW Limited Partnership**, an Illinois limited partnership ("**Borrower**") for the rehabilitation of the residential apartment buildings situated at 4655 South Lake Park Avenue, Chicago and 5606 South Wabash Avenue, Illinois (the "**Project**"). The Amended and Restated Articles of Limited Partnership forming or continuing the Borrower are referred to herein as the "**Partnership Agreement**."

The parties hereto agree that the following covenants, terms, and conditions shall be part of and shall modify or supplement each of the documents evidencing, securing, or governing the disbursement of the Loan (the "**Loan Documents**"), and that in the event of any inconsistency or conflict between the covenants, terms, and conditions of the Loan Documents and this Rider, the following covenants, terms, and conditions shall control and prevail:

1. The Loan is a nonrecourse obligation of Borrower. Except in the event of fraud or gross misrepresentation of material fact or the misapplication or misappropriation of insurance proceeds or condemnation awards relating to the Project, neither Borrower nor any of its partners, nor any other affiliate or related party shall have any personal liability for repayment of the Loan. The sole recourse of Lender under the Loan Documents (excluding Lender's rights hereunder or under Paragraph 8.16 of the Loan Agreement and the Environmental Indemnity (as defined in the Loan Agreement)) for repayment of the Loan shall be the exercise of its rights against the Project and related security thereunder. Under no circumstances shall anything herein contained be construed to impose any personal liability on any limited partner of the Borrower.
2. Neither the withdrawal, removal, replacement, and/or addition of a general partner of the Borrower pursuant to the terms of the Partnership Agreement, nor the withdrawal, replacement, and/or addition of any of the Borrower's limited partners (or any of the partners of Borrower's limited partners), shall constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that, with respect to the withdrawal, removal, replacement, and/or addition of a general partner of the Borrower, Borrower delivers prior notice thereof to Lender and any required substitute general partner of the Borrower is reasonably acceptable to Lender and is selected with reasonable promptness.
3. If a monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and the Chicago Equity Fund 1993 Limited Partnership simultaneous written notice of such default pursuant to Sections 7.1(b) and 8.4 of the Loan Agreement. Borrower shall have a period of five (5) days after such notice is given within which to cure the default prior to exercise of remedies by Lender under the Loan Documents.

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4. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and the Chicago Equity Fund 1993 Limited Partnership simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Borrower shall have such period to effect a cure prior to exercise of remedies by Lender under the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days, and if Borrower (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Lender, not to exceed ninety (90) days. In no event shall Lender be precluded from exercising remedies if its security becomes or is about to become materially impaired or jeopardized by any failure to cure a default or the default is not cured within ninety (90) days after the first notice of default is given. This paragraph shall not apply to a default by the Borrower under any one of subparagraphs (a), (b), (c), (d), (l), (l), (m), (n), or (o) of Paragraph 7.1 of the Loan Agreement or the failure to purchase and maintain the insurance required by Article VI of the Loan Agreement.
5. In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Borrower shall have the right to rebuild the Project, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that provides adequate security to Lender for repayment of the Loan or if such proceeds are insufficient, then Borrower shall have funded any deficiency, (b) Lender shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, (c) no Default (as defined in the Loan Agreement) then exists under the Loan Documents, (d) in the exercise of Lender's reasonable judgment, Borrower can complete the rebuilding of the Project at least sixty (60) days prior to maturity of the Note (as defined in the Loan Agreement) and (e) Borrower shall have commenced the reconstruction or restoration of the Project within ninety (90) days after the occurrence of such loss, casualty or taking by the exercise of eminent domain. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to Lender for repayment of the remaining balance of the Loan.
6. There shall be no default for construction or rehabilitation delays beyond the reasonable control of Borrower, provided that such delays do not exceed ninety (90) days.
7. In any approval, consent, or other determination by Lender required under any of the Loan Documents, Lender shall act reasonably.
8. Borrower shall deposit with Lender on a monthly basis cash in an amount equal to two percent (2%) of gross rent and any other income received from the Project in the immediately preceding month, to be held by Lender in a replacement reserve account and, upon the written request of the Borrower, disbursed by Lender from time to time to pay for major repairs and improvements to the project. All requests by the Borrower for disbursements from the foregoing replacement reserve account shall be subject to review and approval by the Lender. Notwithstanding the

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foregoing, Lender may, in the exercise of its reasonable discretion, increase the amount of the monthly replacement reserve required to be deposited hereby.

9. Lender agrees that it shall not (a) sell, assign, convey or otherwise transfer all or any of its interest in the Loan to the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac") or (b) include the Loan, or any interest therein, in any pool of loans to be sold, assigned, conveyed or otherwise transferred to Fannie Mae or Freddie Mac.

In Witness Whereof, the undersigned have caused this Rider to be executed this 31<sup>st</sup> day of August, 1994.

Borrower:

LPW Limited Partnership  
an Illinois limited partnership

By: Rezmar Corporation  
an Illinois corporation,  
its general partner

By: *John J. Rezmar*  
Its *Vice President*

Lender:

The Northern Trust Company,  
an Illinois banking corporation

By: *M. M. [Signature]*  
Its: \_\_\_\_\_

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