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ASSIGNMENT OF RENTS AND LEASES

Dated as of August 1, 1994

KNOW ALL MEN BY THESE PRESENTS THAT

SENIOR SUITES CHICAGO GAGE LIMITED PARTNERSHIP, an Illinois limited partnership (the "Assignor"), whose office is located at Suite 900, 737 North Michigan Avenue, Chicago, Illinois 60611, in consideration of One Dollar paid by the City of Chicago, Illinois (the "Assignee"), whose principal 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 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, issues 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 as of the date hereof (hereinafter, as the same may be amended, supplemented and restated from time to time called the "Loan Agreement"), by and between the Assignor and the Assignee and for the obligations of the Assignor under its promissory note (herein such note, together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof, shall be called the "Note") in the original principal amount of \$3,755,557, dated the date hereof and payable to the Assignee. The obligations of the Assignor under the Loan Agreement and the Note are secured by, among other things, that certain Junior Mortgage and Security Agreement dated the date hereof (hereinafter, as the same may be amended, supplemented and restated from time to time called 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 A attached hereto and hereby made part hereof, 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 (which is not cured within any applicable notice and/or cure periods) occurs hereunder, or under

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the terms of the Loan Agreement, the Mortgage or any of the other Loan Documents (as defined in the Loan Agreement) (an "Event of Default"), the Assignor shall have the right to collect said rents, income, issues 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 one month in advance (other than reasonable security deposits) 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 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 the option of the Assignee, 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 Assignor, in such case, shall cooperate with the Assignee in all other respects to effectuate the terms and conditions hereof.

The receipt by the Assignee of any rents, income, 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 defend and save it harmless from, any and all liability arising from any of said leases or from this Assignment (other than any liability arising

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out of the Assignee's gross negligence or willful misconduct following the Assignee's acquisition of title to or control of the Premises, unless such act is taken in response to (1) any negligent act or omission of the Assignor, the General Partner or the Owner or (2) any breach (other than failure to repay the Loan) by the Assignor, the General Partner or the Owner of any provisions of the instruments executed by the Assignor, the General Partner or the Owner in connection with the Loan), 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, issues and profits due or to become due thereunder; (ii) the terms of said leases have not been changed from the 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); and (iv) there are no existing defaults under the provisions thereof.

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 and upon the written request of the Assignor the Assignee shall execute and deliver to the Assignor a recordable release of this Assignment.

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.

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This Assignment is subject and subordinate in each and every respect to any and all rights of any kind created by that certain Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Financing Statement dated the date hereof (the "Senior Document") from the Assignor to Avondale Federal Savings Bank (the "Senior Lender") and recorded prior to the recording of this Assignment in the Office of the Cook County Recorder of Deeds, securing a note the date hereof in the amount of \$700,000 in favor of the Senior Lender.

So long as the Senior Document is in effect, in the event of any conflict between the provisions of this Agreement and the Senior Document, the provisions of the Senior Document shall prevail. Any waiver or forbearance by the Senior Lender under the Senior Loan Documents shall not impair the priority of its lien under the Senior Loan Documents.

This Assignment shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois without regard to its conflict of laws principles.

If any provision of this Assignment, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Assignment shall be construed as if such invalid part were never included herein and this Assignment shall be and remain valid and enforceable to the fullest extent permitted by law.

All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Loan Agreement.

The indebtedness evidenced by the Note shall be non-recourse to the extent and in accordance with the conditions specified therein and in the Loan Agreement.

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IN WITNESS WHEREOF, the Assignor has set its hand as of the day and year first above written although actually executed and delivered on September 1, 1994

SENIOR SUITES CHICAGO GAGE LIMITED PARTNERSHIP, an Illinois limited partnership

BY: Senior Suites Chicago Corporation, an Illinois corporation and sole general partner

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

This instrument prepared by and when recorded return to:

Brendan M. Cournane
Assistant Corporation Counsel
City of Chicago
Office of Corporation Counsel
Room 511
121 North LaSalle Street
Chicago, Illinois 60602



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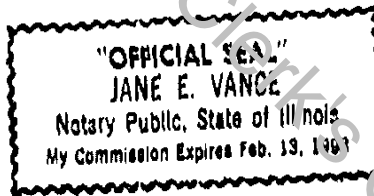
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that James E. Vance, personally known to me to be the President of Senior Suites Chicago Corporation (the "General Partner"), an Illinois corporation and sole general partner of Senior Suites Chicago Gage Limited Partnership (the "Assignor"), an Illinois limited partnership, and James E. Vance, personally known to me to be the Secretary of the General Partner, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and Secretary, they signed and delivered the said instrument pursuant to authority given by the Board of Directors of the General Partner, as their free and voluntary act, and as the free and voluntary act and deed of the General Partner and the Assignor, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 10th day of September, 1994.

Jane E. Vance
Notary Public

(SEAL)



My Commission Expires:

2/13/98

Notary Office

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EXHIBIT A

LEGAL DESCRIPTION

LEGAL DESCRIPTION:

LOTS 20, EXCEPT THE NORTH 20.00 FEET THEREOF, ALL OF LOTS 21 THROUGH 30, BOTH INCLUSIVE, AND THAT PART OF THE 16.00 FOOT PUBLIC ALLEY LYING NORTH OF A LINE DRAWN FROM THE SOUTHWEST CORNER OF LOT 24 TO THE SOUTHWEST CORNER OF LOT 25, AND LYING SOUTH OF THE WESTERLY EXTENSION OF THE SOUTH LINE OF THE NORTH 20.00 FEET OF LOT 20, ALL IN BLOCK 7 IN WILSON P. CONOVERS SUBDIVISION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 14, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS COMMONLY KNOWN AS: 3244 West 59th Street
Chicago, Illinois 60629

PERMANENT INDEX NO.: 19-14-227-038
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EXHIBIT B

EXISTING LEASES

NONE

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