

# UNOFFICIAL COPY

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## ASSIGNMENT OF RENTS AND LEASES

Dated as of September 13, 1994

KNOW ALL MEN BY THESE PRESENTS THAT

CORNERSTONE COMMUNITY OUTREACH, an Illinois not-for-profit corporation (the "Assignor"), whose office is located at 939 W. Wilson, Chicago, Illinois 60640, 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 B attached hereto and hereby made a part hereof) 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, 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 of even date herewith (hereinafter, as the same may be amended, supplemented and restated from time to time called the "Loan Agreement") 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 principal amount of \$809,565.00, dated of even date herewith and payable to the Assignee. The obligations of the Assignor under the Loan Agreement and the Note are secured by, among other things, a certain Junior Mortgage and Security Agreement dated of even date herewith (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 a 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 the terms of the Loan Agreement, the Mortgage or any of the other Loan Documents

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(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 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 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 out of the Assignee's gross negligence or willful misconduct

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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, or (2) any breach by the Assignor of any provisions of the instruments executed by the Assignor 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); (iv) there are no existing 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) other than reasonable security deposits, no rents under any of said leases have heretofore been collected more than one month in advance; (vii) the Assignor has not granted any concession to any lessee under any of 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, or 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

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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.

This Assignment is subject and subordinate in each and every respect to any and all rights of any kind created by that certain Mortgage from the Assignor to National Covenant Properties, an Illinois not-for-profit corporation (the "Senior Lender") dated November 21, 1989, and recorded in the Office of the Cook County Recorder of Deeds as Document No. 89556313, securing a note of even date therewith in the amount of \$450,000.00 in favor of the Senior Lender.

So long as said Mortgage from the Assignor to the Senior Lender (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 laws of the State of Illinois.

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.

Subject to the terms contained in the next two succeeding paragraphs and notwithstanding any provision herein to the contrary, the indebtedness evidenced by the Note shall be non-recourse and in the event of default hereunder, the Assignee's sole source of satisfaction of repayment of the amounts due to the Assignee hereunder or under any of the Loan Documents shall be limited to the Assignee's rights with respect to the collateral pledged and assigned under the Mortgage, this Assignment, the Assignment of Contracts or any of the other Loan Documents.

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Notwithstanding the immediately preceding paragraph, nothing herein or in any of the Loan Documents shall limit the rights of the Assignee, following any of the events hereinafter described, to take any action as may be necessary or desirable to pursue the Assignor for any and all Losses incurred by the Assignee arising from: (i) a material misrepresentation, fraud made in writing or misappropriation of funds by the Assignor; (ii) intentional or material waste to the Premises; (iii) use of proceeds of the Loan for costs other than Eligible Costs; (iv) the occurrence of a Prohibited Transfer (as defined in the Mortgage) without the Assignee's prior written consent, to the extent such Prohibited Transfer results from the intentional, willful, voluntary and/or negligent acts or omissions of the Assignor; (v) any breach of the Assignor's representations, warranties or covenants regarding Hazardous Materials or Environmental Laws contained herein or in any of the other Loan Documents (including, without limitation, the Environmental Agreement); (vi) the occurrence of any uninsured casualty to the Premises or other collateral or security provided under any of the Loan Documents for which there has been a failure to maintain insurance coverage as required by the terms and provisions of the Loan Documents; (vii) the misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Premises or other collateral or security provided under any of the Loan Documents; or (viii) any inaccuracy in the statements of Dennis Bragg, as Affiant, made in that certain Affidavit dated concurrently herewith and delivered to the Assignee as of the date hereof.

The Assignee waives any and all right to seek or demand any personal deficiency judgment against the Assignor, in conjunction with a foreclosure proceeding, under or by reason of any of the non-recourse monetary obligations of the Assignor; provided, however, that the foregoing shall not limit or affect the Assignee's right to sue or otherwise seek recourse against the Assignor in any separate action or proceeding for all Losses incurred by the Assignee arising from any of the matters described in the immediately preceding paragraph hereof.

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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.

CORNERSTONE COMMUNITY OUTREACH, an  
Illinois not-for-profit corporation

By: Thomas J. Gannon  
Its: President

ATTEST:

By: Lynn C. Egan  
Its: Secretary

This instrument prepared by  
and when recorded return to:

Lynn C. Egan, Esq.  
Assistant Corporation Counsel  
City of Chicago  
Office of Corporation Counsel  
Room 511  
121 North LaSalle Street  
Chicago, Illinois 60602

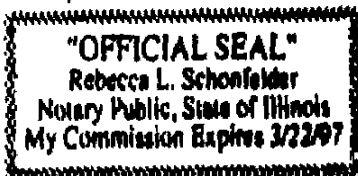


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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Tom Cameron, personally known to me to be the President of CORNERSTONE COMMUNITY OUTREACH, an Illinois not-for-profit corporation (the "Assignor"), and Dennis Cadieux personally known to me to be the Secretary of the Assignor, 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 and caused the corporate seal of the Assignor to be affixed thereto, pursuant to authority given by the Board of Directors of the Assignor, as their free and voluntary act, and as the free and voluntary act and deed of the Assignor, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 13<sup>th</sup> day of September, 1994.



Rebecca L. Schonfelder  
Notary Public

(SEAL)

My Commission Expires:

3/22/97

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## EXHIBIT A

1. Legal Description:

Lots 4, 5 and 6 in the subdivision of Lots 253 to 262, inclusive, in William Deering Surrenden's Subdivision in the West 1/2 of the North East 1/4 of Section 17, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

2. Address Commonly Known As:

4626 North Clifton Avenue, Chicago, Illinois 60640

3. Permanent Index Number:

14-17-207-011

Property of Cook County Clerk's Office

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