This Instrument Prepared by and When Recorded Please Return To:

Linda Vernon Goldberg, Esq. Keck. Mahin & Cate 77 W. Wacker Drive 41st Floor Chicago, Illinois 60601

Property Address: 1857-67 S. Pulaski 1900-02 S. Harding Permanent Tax Number: 16-23-308-4019 16-23-316-013

ABSOLUTE ASSIGNMENT OF RENTS AND LEASES

THIS ABSOLUTE ASSIGNMENT OF RENTS AND LEASES (this "Assignment" is made as of Soplemble 21, 1994, by Lazarus Limited Partnership, an Illinois limited partnership ("Assignor"), to LaSalle National Bank, a national banking association ("Assignee").

WITNESSETH:

WHEREAS, Assigned has agreed to make a loan to Assignor (the "Loan") in the original principal amount of Two Hundred Fifty-Seven Thousand Five Hundred and No/100 Dollars (\$257,500.00), to finance the acquisition and rehabilitation of certain real property located in the City of Chicago, Cook County, Illinois, and legally described on Exhibit A attached hereto, and all improvements and property located thereon and used in connection therewith (the "Project");

WHEREAS, to evidence the Loan, Assignor has made and delivered to Assignee that certain Promissory Note dated of even date here with, in the stated principal amount of \$257,500.00 (the "Note");

WHEREAS, in consideration of Assignee's agreement to make the Loan and as security for Assignor's obligation to repay the indebtedness evidenced by the Note, Assignor has executed and delivered to Assignee a Construction Mortgage. Fixture Filing and Security Agreement with Assignment of Leases and Cash Collateral (the "Mor gage") dated of even date herewith, encumbering the Project, and certain other security documents (this Assignment, the Note, the Mortgage and such other security documents are referred to herein collectively as the "Loan Documents");

WHEREAS, in further consideration of the Loan being made by Assignee, Assignor has agreed to make this Assignment.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration Assignor hereby agrees as follows:

Assignor, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby bargain, sell, transfer, assign, convey, set over and deliver unto Assignce all of Assignor's right, title and interest in, to and under (a) all present leases of all or any portion of the Project, together with all future leases hereinafter entered into by any lessor affecting the Project, and all guaranties, amendments, extensions and renewals of all such leases and each of them (all of which are hereinafter collectively called the "Leases")

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(b) all rents, deposits, income and profits which may now or hereafter be or become due or owing under the Leases and each of them, or on account of the use of the Project or any part thereof; and (c) all claims and rights to the payment of money at any time arising in connection with any rejection or breach of any of the Leases by any tenant thereunder, or trustee of any such tenant, under the Bankruptcy Code, including, without limitation, all rights to recover damages arising out of such breach or rejection, all rights to charges payable by such tenant or trustee in respect of the leased premises following the entry of an order or relief under the Bankruptcy Code in respect of such tenant and all rentals and other charges outstanding under any such Lease as of the date of such order for relief.

- 2. Assignor represents, warrants, covenants and agrees with Assignce as follows:
- (a) To Assignor's knowledge, there is no present Lease of the Project not listed on the Schedule of Leases attached hereto as Exhibit B;
- (b) The sole ownership of the entire landlord's interest in the Leases is, to Assignor's knowledge, vested in Assignor. Except for the "Permitted Exceptions" (defined in the Mortgage), Assignor has not, and shall not: (i) perform any act or execute any other instrument which might prevent Assignee from fully exercising its rights under any term, covenant or condition of this Assignment: (ii) execute any assignment or pledge of rents, deposits, income, profits or any of the Leases except an assignment or pledge securing indebtedness to Assignee; (iii) accept any payment of any installment of rent more than thirty (30) days before the due date thereof (excluding security deposits); or (iv) make any Lease of the Project except for actual occupancy by the tenant or tenants permitted thereunder;
- (c) To Assignor's knewledge, each of the Leases listed on the Schedule of Leases is valid and enforceable in accordance with its terms in all material respects and none has been altered, modified, amended, terminated, cancelled, renewed or surrendered nor has any term or condition thereof been waived in any mariner whatsoever, except as heretofore approved in writing by Assignee;
- (d) None of the Leases shall be material; altered, modified, amended, terminated, cancelled or surrendered nor shall any term or condition thereof be waived in any material respect without the prior written approval of Assignee;
- (e) To Assignor's knowledge, there is no default now existing under any of the Leases by the Assignor, as landlord, or by any tenant thereunder, and there exists no state of fact which, with the giving of notice or lapse of time or both, would constitute a material default under any of the Leases. Assignor will fulfill and perform each and every material covenant and condition of each of the Leases by the landlord thereunder to be fulfilled or performed and, at the sole cost and expense of Assignor, take reasonable steps to enforce, short of termination of any of the Leases, the performance and observance of each and every material covenant and condition of all such Leases by the tenants thereunder to be performed and observed;
- (f) Assignor shall give prompt notice to Assignee of each notice received by Assignor claiming that a default has occurred under any of the Leases on the part of the landlord, together with a complete copy of each such notice;

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- Each of the Leases shall remain on standard forms approved by (g) Lender: and
- Without Assignee's prior written consent in each case, Assignor (h) will not consent to any of the Leases becoming subordinate to any lien other than the lien of this Assignment, the Mortgage, the Permitted Exceptions and general real estate taxes not delinquent.
- This Assignment is absolute and is effective immediately. However, until a default or Event of Default has occurred hereunder or under the Note, Mortgage or any other Loan Document, Assignor may receive, collect and enjoy the rents, income and profits accruing from the Project.
- If any default or Event of Default occurs at any time hereunder or under the Note, Mortgage or any other Loan Document, Assignee may, at its option, receive and collect when due ili such rents, deposits, income and profits from the Project and under any and all Leases of all or any part of the Project. Assignee shall thereafter continue to receive and collect all such terts, deposits, income and profits until such default or event of default is cured and during the pendency of any foreclosure proceedings, and if there is a deficiency during the redemption period, if any. Assignee's receipt and application of any rents, deposits, income and profits after the execution and delivery of a declaration of default and demand for sale, or during the pendency of a trustee's sale or foreclosure proceedings under the Mortgage, shall not cure such event of default of affect in any way such sale proceedings.
- Assignor hereby irrevocably appoints Assignee its true and lawful attorney-in-fact, with full power of substitution and with full power for Assignee in its own name and capacity or in the name and capacity of Assignor to demand, collect, receive and give complete acquittances for any and all rents, deposits, income and profits accruing from the Project, and at Assignee's discretion to file any claim or take any other action or proceeding and make any settlement of any claims in its own name or in the name of Assignor or otherwise, which Assignee may reasonably deem necessary or desirable in order to collect and enforce the payment of the rents, deposits, income and profits. All present and future tenants of the Project are hereby expressly authorized and directed to pay to Assignee, or to such nominee as Assignee may designate in a writing delivered to and received by such tenants, all amounts due Assignor or any of them pursuant to the Leases. All present and future tenants are expressly relieved of all duty, liability or obligation to Assignor and each of them in respect of all payments so made to Assignee or such nominee.
- After a default or Event of Default, Assignee is hereby visted with full power to use all measures, legal and equitable, deemed by it necessary or proper to enforce this Assignment and to collect the rents, deposits, income and profits assigned hereunder vicluding the right of Assignee or its designee to enter upon the Project, or any part thereof, with or without force and with or without process of law, and take possession of all or any part of the Project together with all personal property, fixtures, documents, books, records, papers and accounts of Assignor relating thereto, and may exclude the Assignor and its agents and servants wholly therefrom. Assignor hereby grants full power and authority to Assignce to exercise all 🕰 rights, privileges and powers herein granted at any and all times, without further notice to 27 Assignor, with full power to sue and apply all of the rents and other income herein assigned ? to payment of the costs of managing and operating the Project and to payment of all indebtedness and liability of Assignor to Assignee, including but not limited to: (i) the payment of taxes, special assessments, insurance premiums, damage claims, the costs of maintaining,

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repairing, rebuilding and restoring the improvements on the Project or of making the same rentable, reasonable attorneys' fees and expenses incurred in connection with the enforcement of this Assignment; and (ii) principal and interest payments due from Assignor to Assignee under the Note and the Mortgage, all in such order and for such time as Assignee may determine.

- 7. Assignee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of any landlord under any of the Leases. Assignee does not hereby, nor by exercising or prosecuting any of the rights or claims assigned to it hereunder, assume any of the liabilities in connection with or arising or growing out of the covenants and agreements of Assignor or any landlord under any of the Leases.
- Assignor hereby agrees to indemnify Assignee and to hold Assignee harmless from end against any liability, loss or damage including, without limitation, reasonable attorneys' and parangals' fees which are incurred by Assignee under the Leases or by reason of this Assignment, and from and against any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on its part to perform or discharge any term, covenant or agreement contained in any of the Leases, for matters which arise from any after the date hereof, except as a result of Assignee's gross negligence or willful misconduct.
- 9. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Project, or any part thereof, upon Assignee, nor shall it operate to make Assignee liable for the performance or observance of any term, condition, covenant or agreement contained in any of the Leases, or for any waste of the Project by any tenant under any of the Leases or any other person, or for any dangerous or defective condition of the Project or for any negligence in the management, upkeep, repair or control of the Project resulting in loss or injury or death to any tenant, occupant, licensee, employee or stranger.
- 10. Assignee may at its option, although it shall not be obligated to do so, perform any Lease covenant for and on behalf of Assignor, and all monies reasonably expended in so doing shall be chargeable to Assignor, with interest thereon at the Default Interest Rate (as defined in the Note), and shall be immediately due and payable
- 11. Waiver of, or acquiescence by Assignee in, any default by Assignor, or failure of the Assignee to insist upon strict performance by Assignor of any covenant, condition or agreement in this Assignment or otherwise, shall not constitute a waiver of any subsequent or other default or failure, whether similar or dissimilar.
- 12. The rights, remedies and powers of Assignee under this Assignee enter cumulative and are not in lieu of, but are in addition to, all other rights, remedies and powers which Assignee has under the Note, the Mortgage, the other Loan Documents and all instruments constituting security for the Note, and at law and in equity.
- 13. If any provision contained in this Assignment or its application to any person or circumstances is to any extent invalid or unenforceable, the remainder of this Assignment and the application of such provisions to persons or circumstances, other than those as to which it is invalid or unenforceable, shall not be affected, and each term of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

14. All notices or other communications required or permitted hereunder shall be (i) in writing and shall be deemed to be given (A) when received, if delivered in person, (B) three days after deposit in a regularly maintained receptacle of the United States mail as registered or certified mail, postage prepaid, (C) one day after delivery by private overnight courier service, or (D) on the day on which the party to whom such notice is addressed refuses delivery by mail or by private courier service and (ii) addressed as follows:

To Assignee:

LaSalle National Bank 120 S. LaSalle Street Chicago, Illinois 60603 Attn: Mr. James Ross

With copy to:

Keck, Mahin & Cate 77 W. Wacker Drive

41st Floor

Chicago, Illinois 60601

Attn: Thomas Thorne-Thomsen, Esq.

To Assignor:

Lazarus Limited Partnership

c/o Lawndale Christian Development Corporation

2648 W. Ogden Avenue Chicago, Illinois 60623 Attn: Mr. Richard Townsell

With copies to:

Schiff Hardin & Waite

7200 Sears Toy er Chicago, Illinois 60606

Attn: Bennett P. Applegate, Esq.

and

National Equity Fund 547 West Jackson Chicago, Illinois 60661

Attention: Ms. Kim Opasinski

or to each such party at such other addresses as such party may design te in a written notice to the other parties.

- 15. The terms "Assignor" and "Assignee" shall be construed to include the heirs, personal representatives, successors and assigns thereof. The gender and number used in this Assignment are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.
- 16. This Assignment may not be amended, modified or changed nor shall any waiver of any provisions hereof be effective, except only by an instrument in writing and signed by the parties hereto.
- 17. Except to the extent provided in this Paragraph, neither the Assignor, nor any related parties thereto or affiliates thereof, shall be personally liable for any deficiency

judgment attributable to the unpaid indebtedness evidenced by the Note, or any of the Loan Documents in the case of a default or Event of Default hereunder or thereunder (as defined therein); provided that nothing in this Paragraph 17 or elsewhere in the Note, or any other Loan Documents shall limit any other rights or remedies of the holder of the Note, at law or equity, under this Assignment or any of the Loan Documents, nor shall Assignor be relieved of personal liability and responsibility for (i) any loss or damage relating to environmental matters. including, without limitation, the indemnification obligations hereunder and under the Environmental Indemnity Agreement dated of even date herewith, (ii) intentional waste committed with respect to the Project or any other security for the Note, (iii) any security deposits of tenants (and interest thereon) not turned over to the holder of the Note upon foreclosure of the Mortgage, (iv) insurance proceeds and condemnation proceeds and awards received by Assignor in respect of all or any part of the Project or other security for the Note and not turned over the holder thereof or, to the extent permitted by the Mortgage, used to restore or repair the Project or such other security, (v) any rents or other income from the Project paid by tenants after an Event of Default and not applied to the current (not deferred to prepaid) ordinary and customary operating expenses of the Project or the indebtedness under the Note, (vi) fraud or material misrepresentation in connection with the Project or the operation thereof, the Loan Documents, or any financial statements or other documents or writings submitted by Assignor to Assignee in connection with the Loan, or any intentional or willful action taken in bad faith, or (vii) any sale, assignment, pledge, transfer, grant of a security interest in, or other hypothecation of the Project, or any interest therein, in violation of the Loan Documents to the extent such sale, assignment, pledge, transfer or grant results from the intentional, wilful and/or voluntary ac s or omissions of the Assignor; and further provided that nothing herein contained shall prevent Assignee from enforcing any available remedy against Assignor or any other person under any separate certificate, indemnity, bond, guaranty, or affidavit executed in connection with the Lian which by its terms provides specific recourse against Borrower or such other person.

- 18. Upon the satisfaction in full of all obligations secured hereby, as evidenced by the recording or filing by Assignee of an instrument of satisfaction or full release of the Mortgage, this Assignment shall become and be void and of no effect and Assignee shall in due course execute an instrument of satisfaction of release of this Assignment.
- 19. It is the intent of the parties hereto that the validity, construction and effect of this Assignment shall be governed by the internal laws of the State of Illinois.
- 20. ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS ASSIGNMENT OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ASSIGNEE OR ASSIGNOR SHALL BE BROUGHT AND MAINTAINED EXCLUSIVELY IN THE COURTE OF THE STATE OF ILLINOIS OR IN THE UNITED STATED DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS; PROVIDED, HOWEVER, THAT ANY SUIT SEEKING ENFORCEMENT AGAINST ANY COLLATERAL OR OTHER PROPERTY MAY BE BROUGHT, AT ASSIGNEE'S OPTION, IN THE COURTS OF ANY JURISDICTION WHERE SUCH COLLATERAL OR OTHER PROPERTY MAY BE FOUND. ASSIGNOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS AND OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS FOR THE PURPOSE OF ANY SUCH LITIGATION AS SET FORTH ABOVE.

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and made the cook country Clark's Office The terms of the Mortgage Loan Rider attached hereto are incorporated 22. herein and made a part hereof.

OF EACH OTHER LOAN DOCUMENT TO WHICH IT IS A PARTY) AND THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR ASSIGNEE TO MAKE THE LOAN.

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IN WITNESS WHEREOF, Assignor has caused this instrument to be signed and sealed as of the date first above written.

> LAZARUS LIMITED PARTNERSHIP, an Illinois limited partnership

By: Lazarus Apartments Corporation, an Illinois corporation, its sole general partner Property of County Clerk's Office

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MORTGAGE LOAN RIDER

This Rider is attached to and made a part of the promissory note, the mortgage or trust deed, the loan agreement, and other document(s) evidencing, securing, and governing a loan in the amount of Two Hundred Fifty Seven Thousand Five Hundred Dollars (\$257,500.00) (the "Loan") made by LaSalle National Bank ("Lender") to Lazarus Limited Partnership ("Borrower") for the construction of 48 rental units known as Lazarus Apartments (the "Project"). The form of this Rider has been designed for use whether Borrower is a limited partnership, an Illinois land trust of which a limited partnership is the beneficiary, or otherwise. Accordingly, the limited partnership developing the Project, whether or not identified as Borrower, is sometimes referred to herein as the "Partnership." The Amended and Restated Articles of Limited Partnership continuing the Partnership are referred to herein as the "Partnership Agreement". Wherever the term "Borrower" appears herein the same may refer to Mortgagee, Maker, or Assignor as the case may be, and "Lender" shall refer to Mortgagee or Assigne: 25 the case may be.

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 be ween the covenants, terms, and conditions of the Loan Documents and this Rider, the following covenants, terms, and conditions shall control and prevail:

- Nonrecourse Obligation. The Loan is a nonrecourse obligation of Borrower. Except as provided in Paragraph 7 of the Promissory Note, Paragraph 10.19 of the Construction Morgage, Fixture Filing and Security Agreement with Assignment of Leases and Cash Collateral, Paragraph 8.20 of the Multifamily Residential Rehabilitation Loan Agreement and Paragraph 17 of the Absolute Assignment of Rents and Leases of which this Mortgage Loan Rider is attached: neither Borrower nor any of its general and limited partners, nor any other affiliates or related parties shall have any personal liability for repayment of the Loan. The sole recourse of Lender under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Project and related security thereunder.
- 2. General Partner Change. Neither the withdrawal, removal, replacement, and/or addition of a general partner of the Partnership pursuant to the terms of the Partnership Agreement, nor the withdrawal, replacement, and/or addition of any of its limited partner's 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 Lender receives prior written notice thereof of any such intended action with respect to any general partner, and any required substitute general partner in the Partnership or in the limited partner of the Partnership is reasonably acceptable to Lender and is selected with reasonable promptness.
- Monetary Default. 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 National Equity Fund 1993 Limited Partnership (the "Limited Partner"), simultaneous written notice of such default. Borrower shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Lender under the Loan Documents.

- 4. Casualty, Condemnation, Etc. 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 Event of Default then exists under the Loan Documents, and (d) Borrower shall have commenced the reconstruction or restoration of the Project within 90-days of the casualty or taking (or such longer period as may be reasonably necessary) and, in the reasonable judgment of Lender, Borrower can complete the same not later than one (1) year prior to the Maturity Date set for in the Note. 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, in Lender's sole judgment, adequate security to Lender for repayment of the remaining balance of the Loan.
- 5. Sale of Loan by Lender. Lender agrees that it shall not (a) sell, assign, convey, or otherwise transferal 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.
- 6. Purchase Rights. The execution and delivery of the purchase option and right of first refusal agreement described in the Limited Partnership Agreement shall not constitute a default under the Loan Documents or accelerate the maturity of the Loan thereunder. Any requisite consent of Lender to (a) the exercise of said purchase option and right of first refusal agreement by the project sponsor identified therein, and to (b) the assumption without renalty of Loan obligations by the project sponsor and the release of Borrower room such obligations, shall not be unreasonably withheld. Subject to any such consent requirement, the exercise of rights under such agreement shall not constitute refault or accelerate maturity of the Loan.
- 7. <u>Lender Approvals. Etc.</u> In any approval, consent, or other determination by Lender required under any of the Loan Documents, Lender shall act reasonably and in good faith.

IN WITNESS WHEREOF, the undersigned have caused this Rider to be executed this 21st day of September, 1994.

BORROWER:

LAZARUS LIMITED PARTNERSHIP, an Illinois limited partnership

Lazarus Apartments Corporation, an Illinois corporation, its general partner Door The Ox Cook By:

LENDER:

LASALLE NATIONAL BANK

Clarkson

ACKNOWLEDGEMENT

STATE OF ILLINOIS)
COUNTY OF COOK) SS .
partnership, the within nam foregoing inscriment as their mentioned, and that the said WITIFES m State of Illinois, the day and	ERTIFY that on this <u>Alst</u> day of <u>Sephanbers</u> , 1994, before of Lazarus Apartments Corporation, and general partner of Lazarus Limited Partnership, an Illinois limited ed Assignor, to me known to be the same persons who signed their free act and deed as such officers for the use and purpose therein dinstrument is the act and deed of said corporation. The signature and official seal at Chicago in the County of Cook and divear last aforesaid.
(NOTARY SEAL)	Notary Public
My Commission Expires:	
	OFFICIAL SEAL MARGARET ANN DIXON NOTARY PUBLIC STATE OF ILLINOIS MY COMMISSION EXP. JULY 25,1998

EXHIBIT A

LEGAL DESCRIPTION OF PROJECT

1857-67 S. Pulaski

LOTS 28 THROUGH 32 IN BLOCK 4 OF MOORE'S SUBDIVISION OF LOT 1 OF SUPERIOR COURT PARTITION OF THE WEST 60 ACRES OF SOUTH WESTERN PLANK ROAD, OF THE S.W. 1/4 OF SECTION 23, RANGE 39, TOWNSHIP 13, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

1900 S. Harding Ave. LOTS 98 AND 99 OF THE SUBDIVISION OF LOTS 2, 3, & 5 IN PARTITION OF THE WEST 60 ACRES OF SOUTH WESTERN PLANK ROAD, OF THE S.W. 1/4 OF SECTION J. Of Cook County Clerk's Office 23. RANGE 39, TOWNSHIP 13, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

EXHIBIT B

SCHEDULE OF LEASES

NONE

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