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FIRST NATIONAL BANK OF ILLINOIS ASSIGNMENT OF LEASES AND RENTS

95582253

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") dated August 31, 1995, from **HADADY CORPORATION**, a Delaware corporation ("Borrower") to **FIRST NATIONAL BANK OF ILLINOIS**, a national banking association, (the "Lender") has reference to the following;

WHEREAS, the Borrower has executed and delivered to the Lender the following notes and obligations (collectively the "Hadady Notes"):

- (a) a Secured Note/Adjustable Rate in the maximum principal amount of Two Million and no/100ths Dollars (\$2,000,000.00) ;
- (b) a Secured Note/Adjustable Rate in the maximum principal amount of One Million Three Hundred Thirty Thousand Five Hundred Eighty Five and 60/100ths Dollars (\$1,330,585.60)
- (c) a Revolving Line of Credit Secured Note/Adjustable Rate in the maximum amount of Two Million Five Hundred Thousand and no/100ths Dollars (\$2,500,000.00).

WHEREAS, Hadady Investment Company, an Illinois corporation ("HICO") related to Borrower through some common ownership or control has executed and delivered to the Lender the following notes and obligations (collectively the "HICO Notes"):

- (a) a Secured Note/Adjustable Rate in the maximum principal amount of One Million and no/100ths Dollars (\$1,000,000.00); and

DEPT-01 RECORDING \$43.00
 T#0012 TRAN 6204 08/31/95 14:55:00
 #0816 # CG *-95-582253
 COOK COUNTY RECORDER

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Prepared by and after
recording return to:

Thomas G. Jaros
Smith Williams & Lodge, Chartered
55 W. Monroe - Suite 1800
Chicago, Il. 60603

Property Common Address:

17506 Chicago Avenue
Lansing, Illinois

PIN(s): 30-30-405-024-0000
30-30-405-025-0000

BOX 333-CTI

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- (b) a Secured Note/Adjustable Rate in the maximum principal amount of Nine Hundred Eighty One Thousand Seventy Two and 37/100ths Dollars (\$981,072.37);

WHEREAS, to further secure the repayment of the Hadady Notes and the HICO Notes (collectively referred to hereinafter as the "Notes"), Borrower and HICO have executed and delivered to the Lender a Loan and Security Agreement which grants to Mortgagee a security interest in certain of Borrower's and HICO's assets (the "Loan Agreement");

WHEREAS, Borrower has also delivered its mortgage (the "Mortgage") to secure the repayment of the Notes, which Mortgage conveys the premises to Lender described in Exhibit A hereto (the "Mortgaged Property"); and,

WHEREAS, Borrower (hereinafter also sometimes collectively called the "undersigned") desires to further secure: (i) the performance of Borrower's and HICO's obligations under the Mortgage and the Loan Agreement; and (ii) the repayment of the Notes, and any amendments, renewals, substitutions or replacements of any of the foregoing (collectively the "Liabilities").

NOW, THEREFORE, for and in consideration of the above and the mutual agreements herein contained and as further and additional security to the Lender for the repayment of the Liabilities, and in consideration of the sum of ONE DOLLAR (\$1.00) to the undersigned in hand paid, the receipt whereof is hereby acknowledged, the undersigned, do hereby sell, assign and transfer unto the Lender:

- (i) all Current Leases (as hereinafter defined), future leases, contracts or any other agreements relative to the ownership or occupancy of all or any portion of the Mortgaged Property (or any part thereof), whether written or verbal, whether heretofore now or hereafter made or agreed to or which may be made or agreed to by the Lender under the powers granted in this Assignment (the "Leases"),
- (ii) all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits or money as advance rent, for security or as earnest money or as down payment for the purchase of all or

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any part of the Mortgaged Property) now due and which may hereafter become due under or by virtue of: (a) the Leases; and/or (b) any letting of, or any agreement for the use and occupancy of, the Mortgaged Property of any part thereof;

- (iii) all guaranties of any of the foregoing.

It is parties intention to establish an absolute transfer and assignment of the Leases and agreements, and all the avails thereof, to the Lender. Borrower hereby irrevocably appoints Lender as its true and lawful attorney in its name and stead to effectuate the purposes of this Assignment. Without limiting the foregoing sentence, Borrower hereby authorizes Lender (after the occurrence of an Event of Default which is not cured within any applicable cure period and with or without Lender taking possession of the Mortgaged Property) to:

- (i) rent, lease or let all or any portion of the Mortgaged Property to any party or parties at such rental and upon such terms, as Lender in its discretion may determine, and
- (ii) collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due or that may hereafter become due under each and all of the Leases and agreements, written or verbal, or other tenancy existing or which may hereafter exist on the Mortgaged Property,

with the same rights and power and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as the Lender would have upon taking possession of the Mortgaged Property pursuant to the provisions hereinafter set forth.

The undersigned represent and agree that no rent has been or will be paid by any person in possession of any portion of the Mortgaged Property for more than one installment in advance and that no payment of rents to accrue for any portion of said Mortgaged Property has been or will be waived, released, reduced, or discounted, or otherwise discharged or compromised by the undersigned. The undersigned waive any right of set-off against any person in possession of any portion of the Mortgaged Property. The undersigned agree not to make any other or further assignment of the rents or profits or Leases prior to the release of this Assignment.

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The undersigned agree and represent and Borrower warrants unto Lender, its successors and assigns as follows:

- (i) attached as Exhibit "B" is a schedule of any Leases existing as of the present date with respect to the Mortgaged Property or part thereof (the "Current Lease(s)"); all amendments to any Current Lease(s) are designated on the aforesaid schedule; the undersigned are the sole owners of the entire lessor's interest in any Current Lease(s);
- (ii) no default exists on the part of lessor or lessee under the terms of any Current Leases and there exists no state of facts which, with the giving of notice or lapse of time or both, would constitute a default under any of the Current Lease(s);
- (iii) any Current Lease(s) are, and any future Lease(s) will be, valid and enforceable in accordance with their terms and shall remain in full force and effect irrespective of any merger of the interest of lessor and lessee thereunder;
- (iv) unless otherwise agreed to by Lender, if any Current Lease(s) or future Lease(s) are made to a third party other than Dial In, Inc. or Unique Systems Corp. and such lease provides for the abatement of rent during repair of the demised Mortgaged Property by reason of fire or other casualty, then the undersigned shall furnish rental insurance to Lender in amount and form and written by insurance companies as shall be satisfactory to Lender;
- (v) the undersigned shall not hereafter terminate, modify or amend any Current Lease(s) or future Lease(s) or any of the terms thereof without the prior written consent of Lender, and any attempted termination, modification or amendment of said Current Lease(s) or future Lease(s), or any one of them, without such written consent shall be null and void;
- (vi) the undersigned shall perform all of the undersigned's covenants and agreements as lessor under any Current Lease(s) and any future Lease(s) and shall not suffer or permit to occur, any release of liability of the lessee therein, or any right of the lessee therein to withhold payment of rent;

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- (vii) if so requested by the Lender after default under any Current Lease(s) or any future Lease(s), the undersigned shall enforce any one or several of the Current Lease(s) and all remedies available to the undersigned against the lessee therein named.

The undersigned further agrees to execute and deliver immediately upon the request of the Lender, all such further assurances and assignments in the Mortgaged Property as the Lender shall from time to time reasonably require.

Nothing herein contained shall be construed as constituting the Lender a "mortgagee in possession" in the absence of the taking of actual possession of the Mortgaged Property by the Lender pursuant to the provisions hereinafter contained. In the exercise of the powers herein granted to the Lender, no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by the undersigned.

Although it is the intention of the parties that this Assignment is a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that the Lender shall not exercise any of the rights and powers conferred upon it herein until and unless one or more of the following events shall occur, which shall constitute "Events of Default" hereunder:

- (i) default shall be made in the payment of interest or principal due under the Liabilities, or
- (ii) default shall occur in performance or observance of any of the agreements or conditions in the Mortgage, or
- (iii) default shall be made in the performance or observance of any of the conditions or agreements hereunder Borrower shall fail to remedy such within twenty (20) days of being served with written notice from Lender ; or
- (iv) a default in any agreement or instrument now or at any time securing the Liabilities, including, without limitation, the Mortgage and the Loan Agreement,

and in each instance, all applicable grace periods, if any, shall have expired, and nothing herein contained shall be deemed to affect or impair any rights which the Lender may have under said Liabilities or any other instrument herein mentioned.

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In any case in which under the provisions of the Mortgage the Lender has a right to institute foreclosure proceedings, whether before or after the entire principal sum secured thereby is declared to be immediately due, or whether before or after institution of legal proceedings to foreclose the lien thereof or before or after sale thereunder, forthwith, upon demand of the Lender, the undersigned agree to surrender to the Lender and the Lender shall be entitled to take actual possession of the Mortgaged Property or any part thereof personally, or by its agents or attorneys, and Lender in its discretion may:

- (i) with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of the Mortgaged Property, together with all the documents, books, records, papers and accounts of the undersigned or then owner of the Mortgaged Property relating thereto;
- (ii) exclude the undersigned, its agents or servants, wholly therefrom
- (iii) as attorney in fact or agent of the mortgagor, or in its own name as Lender and under the powers herein granted, hold, operate, manage and control the Mortgaged Property and conduct the business, if any, thereof either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of security of the avails, rents, issues and profits of the Mortgaged Property, including: (a) actions for the recovery of rent, actions in forcible detainer and actions in distress of rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, (b) cancellation or termination of any Lease or sublease for any cause or on any ground which would entitle undersigned to cancel the same; (c) disaffirm any Lease or sublease made subsequent to the mortgage or subordinated to the lien thereof; (d) making all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the premises that may seem judicious, in its discretion; and/or (e) insuring and reinsuring the same for all risks incidental to Lender's possession, operation and management and to receive all such avails, rents, issues and profits.

The Lender in the exercise of the rights and powers conferred upon it by this Assignment shall have full power to use and apply the avails, rents, issues and profits of the Mortgaged Property to the payment of or on account of the following, in such order as the Lender may determine:

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- (a) To the payment of the operating expenses of the Mortgaged Property, including cost of management and leasing thereof (which shall include reasonable compensation to the Lender and its agent or agents, if management be delegated to an agent or agents, and it shall also include Lease commissions and other compensation and expenses of seeking and procuring tenants and entering into Lease(s), establish claim for damages, if any, and premiums on insurance hereinabove authorized;
- (b) To the payment of all repairs, decorating, renewals, replacements, alterations, additions, or betterments, and improvements of the premises, including, without limitation, the cost from time to time of installing or replacing such fixtures, furnishings and equipment therein, and of placing the Mortgaged Property in such condition as will, in the reasonable judgment of the Lender, make it readily rentable;
- (c) To the payment of the Liabilities and any other indebtedness secured by the Mortgage or any deficiency which may result from any foreclosure sale.

The Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any Leases or rental agreements relating to the Mortgage Property, and the undersigned shall and does hereby agree to indemnify and hold the Lender harmless of and from any and all liability, loss or damage which it may or might incur under any Current Lease(s) or future Lease or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said Leases. Should the Lender incur any such liability, loss or damage, under said Leases or under or by reason of the assignment thereof, or in the defense of any claims or demands the undersigned agrees to reimburse the Lender for the amount thereof, including direct costs, direct expenses and reasonable attorneys' and paralegals' fees, immediately upon demand.

Upon the occurrence of an Event of Default which is not cured within any applicable cure period, the undersigned further specifically and irrevocably authorizes and instructs each and every present and future lessee or tenant of the whole or any part of the Mortgaged Property to pay all unpaid rental agreed upon in any Lease(s) to the Lender upon receipt of demand from said Lender to pay the same.

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Whenever a notice is required or permitted to be given under this Assignment, it shall be in writing and either delivered personally, or sent via certified mail, return receipt requested, or sent via facsimile. Notice sent via certified mail shall be deemed given three (3) days after such notice is sent. Notice served by hand delivery or facsimile shall be deemed served on the day delivered or transmitted. Notice shall be delivered or sent to the addresses listed below unless either party gives notice to the other of a change in such address:

To Lender: First National Bank of Illinois
3256 Ridge Road
Lansing, Illinois 60436
Attn: Gilbert W. Rynberk

With a copy to: Smith Williams & Lodge, Chartered
55 West Monroe Street
Suite 1800
Chicago, Illinois 60603
Attn: Kenneth M. Lodge

To Borrower: Hadady Corporation
17506 Chicago Avenue
Lansing, Illinois 60438
Attn: Robert H. Cantwell, Jr.

With a copy to: Mark A. Costa
Kelly, Olson, Rogan & Siepker
181 West Madison Street
Suite 3350
Chicago, Illinois 60602

It is understood and agreed that the provisions set forth in this Assignment herein shall be deemed a special remedy given to the Lender, and shall not be deemed exclusive of any of the remedies granted in the Mortgage, but shall be deemed an additional remedy and shall be cumulative with the remedies therein granted and elsewhere granted in any instrument securing the Liabilities, all of which remedies shall be enforceable concurrently or successively. This Assignment shall be governed by and construed under the laws of the State of Illinois.

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Whenever the word "undersigned" is mentioned herein, it is hereby understood that the same includes and shall be binding upon successors and assigns (including successors by consolidation) of the undersigned, and any party or parties holding title to the Mortgaged Property by, through or under the undersigned. All of the rights, powers, privileges and immunities granted and assigned to the Lender shall also inure to its successors and assigns, including all holders, from time to time, of the Liabilities. If this instrument is executed by more than one person or entity, all obligations and undertakings of the undersigned herein shall be joint and several.

It is expressly understood that no judgment or decree which may be entered on any debt secured or intended to be secured by the Mortgage shall operate to abrogate or lessen the effect of this instrument, but the same shall continue in full force and effect until the payment and discharge of any and all indebtedness secured by the Mortgage, in whatever form the said indebtedness may be until the indebtedness secured by the Mortgage shall have been paid in full and all bills incurred by virtue of the authority herein contained have been fully paid out of rents, issues and profits of the property, or by the undersigned, or until such time as this instrument may be voluntarily released. This instrument shall also remain in full force and effect during the pendency of any foreclosure proceedings, both before and after sale, until the issuance of a deed pursuant to a foreclosure decree, unless the indebtedness secured by the Mortgage is fully satisfied before the expiration of any period of redemption.

In the event that the Lender incurs any reasonable costs (including attorneys' and paralegals' fees, court costs and advances) to enforce the provisions of this Assignment, the Borrower on demand by the Lender, immediately shall reimburse the Lender therefor. Borrower's liability for all reasonable expenses and fees hereunder shall also extend to the collection of any judgment which shall result from Lender's enforcement of its rights and remedies under this Assignment.

[signature page follows as page 10]

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IN WITNESS WHEREOF, the undersigned have executed this Assignment as of the date first above written.

BORROWER:

HADADY CORPORATION, a Delaware corporation

By: Robert H. Cantwell Jr.

Name: Robert H. Cantwell, Jr.

Title: President

Address: 17506 Chicago Avenue
Lansing, Illinois 60438

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Robert H. Cantwell, Jr., the President of **HADADY CORPORATION**, an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged before me that (s)he signed and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 30th day of August, 1995.



Tricia M. Chidichimo
Notary Public

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ASSIGNMENT OF LEASES AND RENTS

EXHIBIT A

LEGAL DESCRIPTION

Parcel 1:

Lot 1 (except that part conveyed to the County of Cook for highway by document number 12959493) and Lots 2 through 10, both inclusive, in Block 3 in Bernice Station Addition being a subdivision of (except the North 357.00 feet thereof) all that part of the Northwest Quarter of the Southeast Quarter of Section 30, Township 36 North, Range 15 East of the Third Principal Meridian, lying East of the Pennsylvania Railroad in Cook County, Illinois.

Parcel 2:

The east 1/2 of vacated alley lying west of Parcel 1 in Cook County, Illinois.

P.I.N. 30-30-405-024-0000
30-30-405-025-0000

Common Address: 17506 Chicago Avenue
Lansing, Illinois

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ASSIGNMENT OF LEASES AND RENTS

EXHIBIT B

CURRENT LEASES

NAME OF LESSEE

DATE OF LEASE

TERM OF LEASE

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