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Prepared By: +
WHEN RECORDED MAIL TO:

96426502

Steven Bright, Esq.
Boehm, Pearlstein & Bright, Ltd.
33 North LaSalle Street
35th Floor
Chicago, Illinois 60602

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COOK COUNTY RECORDER

COLLATERAL ASSIGNMENT OF LEASE - SAF-T-GARD INTERNATIONAL, INC.

This Collateral Assignment of Lease (the "Assignment") is made as of May 30, 1996, and given by SAF-T-GARD INTERNATIONAL, INC. ("Assignor"), with a mailing address at 205 Huchl Road, Northbrook, Illinois 60062 to LASALLE BANK N.A. ("Assignee"), with a mailing address at 3201 North Ashland Avenue, Chicago, Illinois 60657.

WHEREAS, pursuant to and as described in that certain Loan and Security Agreement dated as of the date of this Assignment (such loan and security agreement, as may be amended, modified and/or restated from time to time, shall be referred to as the Loan and Security Agreement), entered into by and among Assignor, N. R. Properties Joint Venture and Assignee, that certain Revolving Note (such revolving note, as may be renewed, extended, amended, modified, substituted, replaced and/or restated from time to time, shall be referred to as the "Note") as defined in the Loan and Security Agreement has been, or may be, executed and delivered by Assignor to Assignee; and

WHEREAS, that certain lease dated June 10, 1986 has been entered into by and between American National Bank & Trust Company of Chicago, not individually, but solely as successor trustee to First Chicago Bank of Ravenswood w/n dated 3/17/86 and known as Trust No. 25-7659 as Lessor, and Assignor, as Lessee (such lease, as may be extended, renewed, amended, modified, substituted, replaced or restated from time to time shall be referred to as the "Lease"), a copy of which is attached hereto as Exhibit "A", which Lease contains the promises located at, and legally described on Exhibit "A" attached hereto (the "Promises"); and

WHEREAS, to secure the following (collectively, the "Obligations"): the payment of the Note and the liabilities (as defined in the Loan and Security Agreement) and the performance of all other obligations of Assignor under the Documents (as such term is defined in the Loan and Security Agreement), Assignor desires to collaterally assign the Lease to Assignee.

NOW, THEREFORE, subject to the provisions of this Assignment, Assignor, for and in consideration of these promises (which are incorporated herein by this reference as an integral part of this Assignment of Lease) and the mutual agreements herein contained and as security for the payment and performance of the Obligations and the performance of the covenants and obligations hereinabove set forth, and in consideration of the sum of Ten Dollars (\$10.00) to Assignee in hand paid, the receipt whereof is hereby acknowledged, Does Hereby Collaterally Grant, Sell, Convey, Assign and Transfer unto Assignee all of the right, title and interest of Assignor in, to and under the Lease, together with all purchase options, rents, income and profits arising from the Lease. It is the

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express intention of Assignor to establish, conditioned upon both the occurrence and continuance of an Event of Default (as defined in the Loan and Security Agreement) and the exercise by Assignee of Assignee's specific rights, remedies and powers pursuant to this Assignment, and subject to the terms and provisions of this Assignment, an absolute transfer and assignment of the Lease, and to all the avails thereof, to Assignee. Upon the occurrence of an Event of Default, and so long as such Event of Default is continuing, Assignor does hereby irrevocably appoint Assignee as its true and lawful attorney in its name and stead (with or without taking possession of the Premises), to assign the Lease, rent, sublease, or let all or any portion of the Premises to any party or parties at such price and on such terms, in its discretion as it may determine, and to collect all of said avails, rents, issues, deposits and profits arising from or accruing at any time hereafter, and all now due, or that may hereafter become due under the Lease, 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 of the Premises pursuant to the provisions hereinafter set forth.

Nothing herein contained shall be construed as deeming Assignee a "party in possession" in the absence of the taking of actual possession of the Premises by Assignee pursuant to the provisions of this Assignment. In the exercise of the powers herein granted Assignee, no liability shall be asserted or enforced against Assignee, all such liability being expressly waived and released by Assignor.

To protect the security of this Assignment, Assignor agrees:

- a) To faithfully abide by, perform and discharge all of Assignor's obligations, covenants, conditions and agreements pursuant to the Lease, at the sole cost of Assignor. Except with Assignee's prior written authority and consent (which consent shall not be unreasonably withheld or delayed), Assignor shall not cancel or terminate the Lease or materially amend, modify, extend (except on substantially the same terms as currently in effect with a fair market rental increase), renew (except on substantially the same terms as currently in effect with a fair market rental increase), or in any material way alter the terms or provisions of the Lease;
- b) To appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Lease or the obligations, duties or liabilities of Lessor and Lessee thereunder, at Assignor's sole cost and expense, and to pay all costs and expenses of Assignee in any action or proceeding in any matter connected with the Lease in which Assignee must appear through no fault of Assignee, including reasonable attorneys' fees and costs;
- c) In the event Assignor fails to make any payment or perform any obligation pursuant to the Obligations, or to perform or discharge any of Assignor's duties or obligations under the Lease or this Assignment, Assignee at Assignee's option upon ten (10) days written notice to Assignor (or such lesser notice, as may be reasonable under the circumstances) and without releasing Assignor from any obligation pursuant to this Assignment, may perform or discharge any or all of Assignor's duties or obligations under the Lease in the manner and to the extent Assignee deems necessary to protect Assignee's security interest, including without limitation, the right to appear in and defend any action or proceeding which may affect Assignee's security interest or Assignee's rights and powers pursuant to this Assignment. In exercising any such powers, Assignee may pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees and costs; and
- d) To pay immediately upon demand all sums expended by Assignee under the authority hereof, together with interest thereon at the highest rate set forth in the Note until repaid to Assignee.

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Although it is the intention of the parties that this Assignment shall be a present assignment, it is expressly understood and agreed that (a) notwithstanding anything else contained to the contrary in this Assignment, Assignee shall not exercise any of the rights and powers conferred upon it herein until and unless an Event of Default shall occur and (b) nothing contained in this Assignment shall be deemed to affect or impair any rights which Assignee may have under the Documents or any other agreement, document or instrument mentioned in this Assignment.

Upon or at any time after an Event of Default which is continuing, Assignor agrees that Assignee shall be entitled to: (a) take actual possession of the Premises or any part thereof personally, or by its agents or attorneys, and Assignee in its discretion may enter upon and take and maintain possession of all or any part of said Premises, together with all the documents, books, records, papers and accounts of the Assignor, and may exclude the Assignor, its agents or servants, wholly therefrom and may, as attorney-in-fact or agent of the 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, 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 or security of the avails, rents, issues, deposits and profits of the Premises; (b) with or without taking actual possession of the Premises, (i) cancel, amend, modify, extend, renew, terminate or in any way alter the Lease, for any cause or on any ground which would entitle Assignor to do the same; and (ii) obtain or evict tenants, collect, sue for, fix or modify the rents under the Lease and enforce all rights of the Assignor under the Lease; and (c) perform any and all other acts that may be necessary or proper to protect the security of this Assignment.

Upon the occurrence and continuation of an Event of Default, Assignor hereby grants to Assignee full power and authority to exercise each and every of the rights, privileges and powers granted in this Assignment at any and all times hereafter, without notice to the Assignor, including, without limitation, full power to make all the necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises that may seem judicious, in its discretion, insure and reinsure the same for all risks, incidental to Assignee's possession, operation and management thereof and to receive all such avails, rents, issues, deposits and profits.

Assignee shall not be obligated to perform or discharge nor does it hereby undertake to perform or discharge, any obligations, duty or liability under the Lease relating to said Premises, and Assignor shall and does hereby agree to indemnify and hold the Assignee harmless of and from any and all liability, loss or damage which it may or might incur under this Assignment, the Lease or under or by reason of the assignment of the Lease 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 conditions contained in the Lease or this Assignment, except for claims or demands based upon Assignee's gross negligence or willful misconduct. Should Assignee incur any such liability, loss or damage under the Lease, or under or by reason of the assignment thereof, or in the defense of any claims or demands, except for claims or demands based upon Assignee's gross negligence or willful misconduct, Assignor agrees to reimburse Assignee for the amount thereof, including costs, expenses and reasonable attorneys' fees and costs, immediately upon demand.

It is understood and agreed that the provisions set forth in this Collateral Assignment of Lease shall be deemed as a special remedy given to Assignee, and shall not be deemed exclusive of any of the remedies granted in the Loan and Security Agreement or any of the Documents but shall be deemed an additional remedy and shall be cumulative with the remedies therein granted.

Whenever the word "Assignor" is mentioned herein, it is hereby understood that the same includes, and shall be binding upon, successors and assigns (including successors by consolidation) of Assignor, and any party or parties acquiring an interest in the Lease or to the Premises by, through, or under Assignor. All of the rights, powers, privileges and immunities herein granted and assigned to Assignee shall also inure to its successors and assigns, including all holders, from time to time, of the Note or any of the Obligations.

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It is expressly understood that no judgment or decree which may be entered on any debt secured or intended to be secured by this Assignment shall operate to abrogate or lessen the effect of this instrument, but that the same shall continue in full force and effect until any and all indebtedness secured by this Assignment (in whatever form the said indebtedness may be) shall have been paid in full and all bills incurred by virtue of the authority contained herein have been fully paid out of the rents, issues, deposits, profits or proceeds of sale of the Premises, or by Assignor, or until such time as this Assignment may be voluntarily released.

In the event Assignor exercises any purchase option contained in the Lease, this Assignment shall be deemed to be a mortgage of the Premises given by Assignor to Assignee and Assignor hereby mortgages to Assignee the Premises.

Upon payment and performance in full of the Obligations, including but not limited to, the Note and the Liabilities, and the performance of the covenants and obligations of Assignor under this Assignment and of Assignor under the Documents, this Assignment shall become void and of no effect, but Assignee's affidavit showing any part of the Obligations or the aforesaid obligations remaining unpaid or unperformed shall constitute rebuttable, presumptive evidence of the validity, effectiveness and continuing force of this Assignment.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed as of the date hereinabove first written.

SAF-T-GARD INTERNATIONAL, INC.

By: [Signature]

Title: PRESIDENT

ATTEST:

By: [Signature]

Title: ASSISTANT SECRETARY

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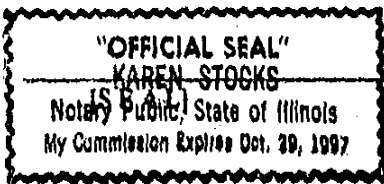
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the Undersigned, a Notary Public in and for said County in the state aforesaid, DO HEREBY CERTIFY THAT RICHARD A. DIMITROU, and HELEN L. TRIZIN of Saf-T-Card International, Inc. personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such PRESIDENT and ASSISTANT SECRETARY respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act, and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 30th day of MAY, A.D., 1996.

Karen Stocks
NOTARY PUBLIC

My Commission Expires:



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CONSENT TO COLLATERAL ASSIGNMENT

The undersigned hereby consents to the foregoing Collateral Assignment of Lease and agrees to give to Assignee a copy of any notice of any default of Lessee under the Lease concurrently with the giving of such notice to Lessee. The undersigned hereby certifies to Assignor and Assignee that as of this date the undersigned is the title holder of record to the Premises or the 100% beneficiary of the trust which is the title holder of record to the Premises, or the duly authorized agent of either of them.

Dated: MAY 30, 1996

LANDLORD:

N.R. Properties Joint Venture

By: [Signature]

Title: Joint Venture

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EXHIBIT A

LOT 52 IN SKY HARBOR AIR INDUSTRIAL PARK UNIT 2, A SUBDIVISION OF PART OF THE SOUTH EAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 8, TOWNSHIP 42 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 205 Huehl Road, Northbrook, IL 60062

P.I. N.: 04-05-103-020-0000
04-05-103-021-0000

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