

UNOFFICIAL COPY

This document was prepared by:
WORTH BANK & TRUST
6825 W. 111TH STREET
WORTH, ILLINOIS 60482

96355878



. DEPT-01 RECORDING \$35.50
. T#0014 TRAN 4931 05/10/96 10:00:00
. #0587 # JW #-96-355878
. COOK COUNTY RECORDER

(Space above this line for recording purposes)

ASSIGNMENT OF LEASES AND RENTS As Security for a Loan From WORTH BANK & TRUST

2550

1. DATE AND PARTIES. The date of this Assignment of Leases and Rents (Agreement) is May 3, 1996, and the parties are the following:

OWNER/BORROWER:

JOSEPH T. VAZQUEZ
11028 S. Mason
Chicago Ridge, IL 60415
Social Security # 344-56-2010
VICTOR M. ZAVALA
8950 S. Francisco
Evergreen Park, IL 60805
Social Security # 332-50-2160

THIS INSTRUMENT IS BEING PLACED
OF RECORD BY INTERCOUNTY TITLE
AS AN ACCOMMODATION ONLY. NO
EXAMINATION AS TO ITS VALIDITY
HAS BEEN MADE.

96355878

BANK:

WORTH BANK & TRUST
an ILLINOIS banking corporation
6825 W. 111TH STREET
WORTH, ILLINOIS 60482
Tax I.D. # 36-2446555

2. OBLIGATIONS DEFINED. The term "Obligations" is defined as and includes the following:

- A. A promissory note, No. 84, (Note) dated May 3, 1996, and executed by PRO-WALLS, INC., JOSEPH T. VAZQUEZ, and VICTOR M. ZAVALA (Borrower) payable to the order of Bank, which evidences a loan (Loan) to Borrower in the amount of \$150,000.00, plus interest, and all extensions, renewals, modifications or substitutions thereof.
- B. All future advances by Bank to Borrower, to Owner, to any one of them or to any one of them and others (and all other obligations referred to in the subparagraph(s) below, whether or not this Agreement is specifically referred to in the evidence of indebtedness with regard to such future and additional indebtedness).
- C. All additional sums advanced, and expenses incurred, by Bank for the purpose of insuring, preserving or otherwise protecting the Collateral (as herein defined) and its value, and any other sums advanced, and expenses incurred by Bank pursuant to this Agreement, plus interest at the same rate provided for in the Note computed on a simple interest method.

UNOFFICIAL COPY

4. COLLECTION OF RENT. Owner may collect, receive, enjoy and use the Rents so long as Owner is not in default. Except for one lease period's rent, Owner will not collect in advance any Rents due in future lease periods, unless Owner first obtains Bank's written consent. Upon default, Owner will receive any Rents in trust for Bank and Owner will not commingle the Rents with any other funds. Any amounts collected shall be applied at Bank's discretion first to costs of managing, protecting and preserving the Property, and to any other necessary related expenses including Bank's court costs. Any remaining amounts shall be

in the event any item listed as Leases or Rents is determined to be personal property, this Agreement will also be regarded as a security agreement.

The Property may be commonly referred to as 2701 W. 59TH STREET, CHICAGO, IL 60629
CHICAGO, IL 60629 P.L.N. 19-13-401-010.
THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS C/K/A 2701 W. 59TH ST.,
SOUTHEAST 1/4 OF SECTION 13, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE
STREET AND CALIFORNIA AVENUE SUBDIVISION OF THE WEST 1/2 OF THE
LOT 1 (EXCEPT THE WEST 2 FEET) IN BLOCK 3 IN COBE AND MCKINNON'S 63RD

The term "Property" as used in this Agreement shall include the following described real property (Property) situated in COOK County, ILLINOIS, to-wit:

occupancy of the whole or any part of the Property.
and claims which Owner may have that in any way pertain to or is on account of the use or
revenues, royalties, proceeds, bonuses, accounts, contract rights, general intangibles, and all rights
damages following default, cancellation premiums, "loss of rents" insurance, guest receipts,
charges, real estate taxes, other applicable taxes, insurance premium contributions, liquidated
minimum rent, percentage rent, additional rent, common area maintenance charges, parking
B. Rents, issues and profits (all referred to as "Rents"), including but not limited to security deposits,
Leases: Any leases in effect during the term of this assignment.
such agreements (all referred to as "Leases"), including but not limited to the following described
Property (hereafter defined), including any extensions, renewals, modifications or substitutions of
and any other written or verbal agreements for the use and occupancy of any portion of the
A. Existing or future leases, subleases, licenses, guarantees of performance of any party thereunder
assigns and transfers to Bank as additional security all the right, title and interest in and to any and all:

3. ASSIGNMENT OF LEASES AND RENTS. Owner grants, bargains, mortgages, sells, conveys, warrants,
A. If this security interest is in Borrower's principal dwelling and Bank fails to provide (to all persons
entitled) any notice of right of rescission required by law for such other debt; or
B. If Bank fails to make any disclosure of the existence of this security interest required by law for
such other debt.
However, this security interest will not secure another debt.

otherwise relates to the Note or Loan.
Borrower's performance of the terms in the Note or Loan, Owner's performance of any terms in
this Agreement, and Borrower's and Owner's performance of any terms in any deed of trust, any
trust deed, any trust indenture, any mortgage, any deed to secure debt, any security agreement,
any other assignment, any construction loan agreement, any loan agreement, any assignment of
beneficial interest, any guaranty agreement or any other agreement which secures, guarantees or
E. All other obligations, now existing or hereafter arising, by Borrower owing to Bank to the extent the
taking of the Collateral (as herein defined) as security therefor is not prohibited by law, including but
not limited to liabilities for overdrafts, all advances made by Bank on Borrower's, and/or Owner's,
detail as authorized by this Agreement and liabilities as guarantor, endorser or surety, of Borrower
to Bank, due or to become due, direct or indirect, absolute or contingent, primary or secondary,
liquidated or unliquidated, or joint, several, or joint and several.
Borrower's performance of the terms in the Note or Loan, Owner's performance of any terms in
this Agreement, and Borrower's and Owner's performance of any terms in any deed of trust, any
trust deed, any trust indenture, any mortgage, any deed to secure debt, any security agreement,
any other assignment, any construction loan agreement, any loan agreement, any assignment of
beneficial interest, any guaranty agreement or any other agreement which secures, guarantees or

60629

UNOFFICIAL COPY

applied to reduce the Obligations. Owner agrees that this assignment is immediately effective between the parties to this Agreement and effective as to third parties on the recording of this Agreement. Owner agrees that Bank is entitled to notify Owner or Owner's tenants to make payments of Rents due or to become due directly to Bank after such recording, however Bank agrees not to notify Owner's tenants until Owner defaults and Bank notifies Owner of the default and demands that Owner and Owner's tenants pay all Rents due or to become due directly to Bank. On receiving the notice of default, Owner will endorse and deliver to Bank any payments of Rents.

5. APPLICATION OF COLLATERAL PROCEEDS. Any Rent or other payments received or to be received by virtue of the Collateral, will be applied to any amounts Borrower owes Bank on the Obligations and shall be applied first to costs and expenses, then to accrued interest and the balance, if any, to principal except as otherwise required by law.
6. WARRANTIES AND COVENANTS. To induce Bank to extend credit by entering into the Obligations, Owner makes the following warranties and covenants:
- A. Owner has good title to the Leases, Rents, and Property and the right to grant, bargain, mortgage, sell, convey, variant, assign and transfer to Bank as additional security the Leases and Rents, and no other person has any right in the Leases and Rents.
 - B. Owner has recorded the Leases as required by law or as otherwise prudent for the type and use of the Property.
 - C. No default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants. Owner, at its sole cost and expense, will keep, observe and perform, and require all other parties to the Leases to comply with the Leases and any applicable law. If Owner or any party to the Lease defaults or fails to observe any applicable law, Owner will promptly notify Bank of this noncompliance.
 - D. When any Lease provides for an abatement of Rents due to fire, flood or other casualty, Owner will insure against this risk of loss with a policy satisfactory to Bank.
 - E. Owner will promptly provide Bank with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Agreement, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed.
 - F. Immediately after execution of this Agreement, Owner will notify all current and future tenants and others obligated under the Leases of Bank's right to the Leases and Rents, and will request that they immediately pay all future Rents directly to Bank when Owner or Bank demand them to do so.
 - G. When Bank requests, Owner will provide to Bank an accounting of Rents, prepared in a form acceptable to Bank, subject to generally accepted accounting principles in effect when such statements are made, and certified by Owner or Owner's accountant to be current, true, accurate and complete as of the date requested by Bank.
 - H. Owner has not sublet, modified, extended, canceled, or otherwise altered the Leases, or accepted the surrender of the Property covered by the Leases (unless the Leases so required), nor will Owner do so without Bank's written consent.
 - I. Owner has not assigned, compromised, subordinated or encumbered the Leases and Rents, and will not do so without Bank's prior written consent.
 - J. Owner will not enter into any future Leases without prior written consent from Bank and at Bank's request. Owner will execute and deliver such further assurances and assignments as to these future Leases as Bank requires from time to time.
 - K. Owner will not sell or remove any personal property on the Property, unless Owner replaces this personal property with like kind for the same or better value.
 - L. Owner will appear in and prosecute its claims or defend its title to the Leases and Rents against any claims that would impair Owner's interest under this Agreement, and on Bank's request, Owner will also appear in any action or proceeding in the name and on behalf of Bank. Owner will pay Bank for all costs and expenses, including reasonable attorneys' fees, incurred by Bank for appearing in any action or proceeding related to the Leases or Rents. Owner agrees to assign to Bank, as requested by Bank, any right, claims or defenses which Owner may have against parties

16055878

UNOFFICIAL COPY

Assignment of Leases & Rents (C)1984; Baker's Systems, Inc. St. Cloud, MN JL-26-041195-2.80

** READ FRONT AND BACK OF EACH PAGE FOR ANY REMAINING PROVISIONS. ** PAGE 4

Initials
VMZ JTV

- who supply labor or materials to improve or maintain the leaseholds subject to the Leases and/or the Property.
- M. Bank does not assume or become liable for the Property's maintenance, depreciation, or other losses or damages due to Bank's gross negligence or intentional torts. Otherwise, Owner will indemnify Bank and hold Bank harmless for any and all liability, loss or damage that Bank may incur when Bank opts to exercise any of its remedies against tenants or others obligated under the Leases.
- N. Owner will not cause or permit the leasehold estate under the Leases to merge with Owner's reversionary interest, and agrees that the Leases shall remain in full force and effect regardless of any merger of the Owner's interests and of any merger of the interests of Owner and of tenants and other parties obligated under the Lease.
- O. Bank will be the creditor of each tenant and of anyone else obligated under the Leases who is subject to an assignment for the benefit of creditors, an insolvency, a dissolution or a receivership proceeding, or a bankruptcy.
- P. If Owner becomes subject to a voluntary or involuntary bankruptcy, then Owner agrees that Bank is entitled to receive relief from the automatic stay in bankruptcy for the purpose of making this Agreement effective and enforceable under state and federal law and within Owner's bankruptcy proceedings.
7. EVENTS OF DEFAULT. (Owner shall be in default upon the occurrence of any of the following events, circumstances or conditions (Events of Default):
- A. Failure by any party obligated on the Obligations to make payment when due; or
 - B. A default or breach by Borrower, Owner or any co-signer, endorser, surety, or guarantor under any of the terms of this Agreement, the Note, any construction loan agreement or other loan agreement, any security agreement, mortgage deed to secure debt, deed of trust, trust deed, or any other document or instrument evidencing, guaranteeing, securing or otherwise relating to the Obligations; or
 - C. The making or furnishing of any verbal or written representation, statement or warranty to Bank which is or becomes false or incorrect in any material respect by or on behalf of Owner, Borrower, or any one of them, or any co-signer, endorser, surety or guarantor of the Obligations; or
 - D. Failure to obtain or maintain the insurance (coverages required by Bank, or insurance as is customary and proper for the Collateral (as herein defined); or
 - E. The death, dissolution or insolvency of, the appointment of a receiver by or on behalf of, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debt relief law by or against Owner, Borrower, or any one of them, or any co-signer, endorser, surety or guarantor of the Obligations; or
 - F. A good faith belief by Bank at any time that Bank is insecure with respect to Borrower, or any co-signer, endorser, surety or guarantor, that the prospect of any payment is impaired or that the Collateral (as herein defined) is impaired; or
 - G. Failure to pay or provide proof of payment of any tax, assessment, rent, insurance premium, escrow or escrow deficiency on or before its due date; or
 - H. A material adverse change in Owner's business, including ownership, management, and financial conditions, which in Bank's opinion, impairs the Collateral or repayment of the Obligations; or
 - I. A transfer of a substantial part of Owner's money or property.
8. REMEDIES ON DEFAULT. At the option of Bank, all or any part of the principal of, and accrued interest on, the Obligations shall become immediately due and payable without notice or demand, upon the occurrence of an Event of Default or at any time thereafter. Bank, at Bank's option, shall have the right to exercise any or all of the following remedies:
- A. To continue to collect directly and retain Rent in Bank's name without taking possession of the Property and to demand, collect, receive, and sue for the Rent, giving proper receipts and releases, and, after deducting all reasonable expenses of collection, apply the balance as legally permitted to the Note, first to accrued interest and then to principal.
 - B. To recover reasonable attorneys' fees to the extent not prohibited by law.

8148533566

UNOFFICIAL COPY

- C. To declare the Obligations immediately due and payable, and, at Bank's option, exercise any of the remedies provided by law, the Note, or this Agreement.
- D. To enter upon, take possession of, manage and operate all or any part of the Property, make, modify, enforce or cancel any Leases, evict any Lessee, increase or reduce Rent, decorate, clean and make repairs, and do any act or incur any cost Bank shall deem proper to protect the Property as fully as Owner could do, and to apply any funds collected from the operation of the Property in such order as Bank may deem proper, including, but not limited to, payment of the following: operating expenses, management, brokerage, attorneys' and accountants' fees, the Obligations, and toward the maintenance of reserves for repair or replacement. Bank may take such action without regard to the adequacy of the security, with or without any action or proceeding, through any person or agent, or receiver to be appointed by a court, and irrespective of Owner's possession.

The collection and application of the Rent or the entry upon and taking possession of the Property as set out in this section shall not cure or waive any default, or modify or waive any notice of default under the Note, or this Agreement, or invalidate any act done pursuant to such notice. The enforcement of such remedy by Bank, once exercised, shall continue for so long as Bank shall elect, notwithstanding that such collection and application of Rent may have cured the original default. If Bank shall thereafter elect to discontinue the exercise of any such remedy, the same or any other remedy under the law, the Note, or this Agreement may be asserted at any time and from time to time following any subsequent default. The word "default" has the same meaning as contained within the Note or any other instrument evidencing the Obligations, or any other document securing, guarantying or otherwise relating to the Obligations.

In addition, upon the occurrence of any Event of Default, Bank shall be entitled to all of the remedies provided by law, the Note and any related loan documents. Bank is entitled to all rights and remedies provided at law or equity whether or not expressly stated in this Agreement. By choosing any remedy, Bank does not waive its right to an immediate use of any other remedy if the event of default continues or occurs again.

9. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES

A. As used in this paragraph:

- (1) "Environmental Law" means, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA", 42 U.S.C. 9601 et seq.), all federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a Hazardous Substance (as defined herein).
- (2) "Hazardous Substance" means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or the environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

B. Owner represents, warrants and agrees that:

- (1) Except as previously disclosed and acknowledged in writing to Bank, no Hazardous Substance has been, is or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- (2) Except as previously disclosed and acknowledged in writing to Bank, Owner has not and shall not cause, contribute to or permit the release of any Hazardous Substance on the Property.
- (3) Owner shall immediately notify Bank if: (a) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (b) there is a violation of any Environmental Law concerning the Property. In such an event, Owner shall take all necessary remedial action in accordance with any Environmental Law.
- (4) Except as previously disclosed and acknowledged in writing to Bank, Owner has no

UNOFFICIAL COPY

9/15/96



Carol Nordstrom
NOTARY PUBLIC

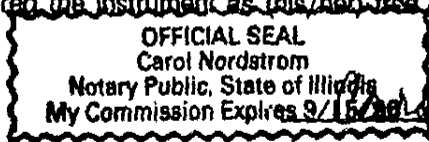
STATE OF ILLINOIS

COUNTY OF COOK SS:

On this 6TH day of MAY, 1996, I, CAROL NORDSTROM, a notary public, certify that VICTOR M. ZAVALA, 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 that (he/she) signed and delivered the instrument as (his/her) free and voluntary act, for the uses and purposes set forth.

My commission expires:

9/15/98



Carol Nordstrom
NOTARY PUBLIC

THIS IS THE LAST PAGE OF A 8 PAGE DOCUMENT. EXHIBITS AND/OR ADDENDA MAY FOLLOW.

Property of Cook County Clerk's Office

76355878

UNOFFICIAL COPY

My commission expires: _____
purposes set forth.

that (he/she) signed and delivered the instrument as (his/her) free and voluntary act, for the uses and name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged notary public, certify that JOSEPH T. VAZQUEZ, personally known to me to be the same person whose

On this 10th day of May, 1986, at Cook COUNTY OF ILLINOIS

ss:

STATE OF ILLINOIS

Individually

VICTOR M. ZAVALA

Individually

JOSEPH T. VAZQUEZ

OWNER/BORROWER:

- C. AMENDMENT. The provisions contained in this Agreement may not be amended, except through a written amendment which is signed by Owner and Bank.
- D. INTEGRATION CLAUSE. This written Agreement and all documents executed concurrently herewith, represent the entire understanding between the parties as to the obligations and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.
- E. FURTHER ASSURANCES. Owner agrees, upon request of Bank and within the time Bank specifies, to provide any information, and to execute, acknowledge, deliver and record or file such further instruments or documents as may be required by Bank to secure the Note or confirm any lien.
- F. GOVERNING LAW. This Agreement shall be governed by the laws of the State of ILLINOIS, provided that such laws are not otherwise preempted by federal laws and regulations.
- G. FORUM AND VENUE. In the event of litigation pertaining to this Agreement, the exclusive forum, venue and place of jurisdiction shall be in the State of ILLINOIS, unless otherwise designated in writing by Bank or otherwise required by law.
- H. SUCCESSORS. This Agreement shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties; provided however, that Owner may not assign, transfer or delegate any of the rights or obligations under this Agreement.
- I. NUMBER AND GENDER. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.
- J. DEFINITIONS. The terms used in this Agreement, if not defined herein, shall have their meanings as defined in the other documents executed contemporaneously, or in conjunction, with this Agreement.
- K. PARAGRAPH HEADINGS. The headings at the beginning of any paragraph, or any subparagraph, in this Agreement are for convenience only and shall not be dispositive in interpreting or construing this Agreement.
- L. IF HELD UNENFORCEABLE. If any provision of this Agreement shall be held unenforceable or void, then such provision to the extent not otherwise limited by law shall be severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions nor the validity of this Agreement.
- M. NO ACTION BY BANK. Nothing contained herein shall require the Bank to take any action.

84855296

Property of Cook County