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1998-06-04 14:52:32
Cook County Recorder 67.50

ASSIGNMENT OF LEASES AND RENTS

3. THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made as of June 3, 1998.

PALWAUKEE AVIATION, INC., an Illinois corporation, doing business as Priester Aviation ("Assignor"), for good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby absolutely and unconditionally assign, transfer and set over unto NOVUS CREDIT SERVICES INC., a Delaware corporation ("Assignee"), all of Assignor's right, title and interest in and to those certain lease(s), licenses and concessions now or hereafter affecting all or any portion of the real property more particularly described on Schedule A hereto (the "Property"), including but not limited to those leases set forth on Schedule B hereto, together with all rents, revenues, payments and income arising from said lease(s), licenses and concessions, and any guarantees, if any, of the lessee's, licensee's or concessionaire's obligations under said lease(s), licenses and concessions and all modifications, renewals and extensions thereof; together with all rents, revenues, payments and income arising from whatever source, from the use and occupation of and from all or any part of the Property and from all future leases, licenses and concessions of all or any part of the Property (said leases, licenses and concessions, and all such guarantees, all as now or hereafter amended, modified, renewed and extended and being hereafter collectively referred to as the "Leases").

THIS ASSIGNMENT is a present and irrevocable assignment and is made for the purpose of securing:

A. The payment of all sums and indebtedness now or hereafter due under (i) that certain Promissory Note of even date herewith and any amendments, extensions or renewals thereof, in the original principal sum of up to THREE MILLION SIX HUNDRED THOUSAND AND 00/100 DOLLARS (\$3,600,000) made by Assignor to Assignee (as hereafter amended, modified, extended or renewed, the "Note"), and (ii) that certain \$3,600,000 Construction and Term Loan Agreement of even date herewith between Assignor and Assignee and any modifications, amendments, extensions and renewals thereof (as amended, modified, extended or renewed, the "Loan Agreement"), which Note and Loan Agreement are also secured by a Mortgage of even date herewith and recorded contemporaneously herewith encumbering the Property (as amended, modified, extended or renewed, the "Mortgage").

B. The payment of all sums and indebtedness now or hereafter due under any of the Loan Documents (as defined in the Loan Agreement).

C. The performance and discharge of each and every obligation, covenant and agreement of Assignor under each Loan Document.

Assignor hereby covenants and warrants to Assignee that Assignor has not executed any prior assignment of the Leases, nor has it performed any act or executed any other instrument

1ST ASSIGNMENT TITLE order # CC 119324
JG/TMC

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which might prevent Assignee from operating under any of the terms and conditions of this Assignment or which would limit Assignee in such operation; and Assignor further covenants and warrants to Assignee that Assignor has not executed or granted any modification whatsoever of the Leases, except as herein indicated, and that the Leases are in full force and effect, and that, except as otherwise disclosed to Assignee in writing, there are no defaults now existing under the Leases with respect to which Assignor has notified the tenant under the Leases.

Except as otherwise permitted in the Mortgage or the Loan Agreement, Assignor further covenants with Assignee (1) to observe and perform all the obligations imposed upon the lessor under the Leases and not to do or permit to be done anything to impair the security thereof; and (2) not to collect any of the rent, revenues, payments or income arising or accruing under the Leases or from the Property more than one month in advance, not to execute any other assignment of lessor's interest in the Leases or assignment of rents arising or accruing from the Leases or from the Property, not to alter, modify or change the terms of the Leases or cancel or terminate any Lease or accept a surrender thereof (except in the prudent exercise of Assignor's rights and remedies under the Leases following a default by the tenant(s) thereunder), and not to consent to any assignment of or subletting under the Leases; none of the foregoing shall be done or suffered to be done without in each instance obtaining the prior written consent of Assignee and any of such acts done without the written consent of Assignee shall be null and void; (3) at Assignee's request, to assign and transfer to Assignee any and all subsequent leases upon all or any part of the Property; and (4) to execute and deliver at the request of Assignee all such further assurances and assignments in the premises as the Assignee shall from time to time require.

THIS ASSIGNMENT is made on the following terms, covenants and conditions:

1. So long as there shall exist no Event of Default under the Mortgage, Assignor shall have a revocable license to collect at the time of, but not prior to one (1) month in advance of, the date provided for the payment thereof, all rents, revenues, payments and income arising under the Leases or from the Property and to retain, use and enjoy the same as set forth herein. Such license may be revoked by Assignee, without notice to Assignor, upon the occurrence of an Event of Default. Unless and until such license is revoked by Assignee, Assignor shall hold such rents, revenues, payments and income as a trust fund to be applied first to pay all sums promptly when due under the Note, the Loan Agreement and the Mortgage and then to pay all operating expenses and capital expenditures relating to the Property. Assignor, without the prior consent of Assignee, will not cause or permit the leasehold estate under the Leases to merge with Assignor's reversionary interest.

2. Upon or at any time while an Event of Default exists, Assignee, without in any way waiving such Event of Default, at its option, without notice and without regard to the adequacy of the security for the said principal sum, interest and indebtedness secured hereby and by the Mortgage, either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, subject to the terms of the Leases, may take possession of the Property and have, hold, manage, lease and operate the same on such terms and for such period of time as Assignee may deem proper. Additionally, Assignee, either with or without taking possession of the Property in its own name, may demand, sue for or otherwise collect and receive all rents, revenues, payments and income of the Property, including those

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past due and unpaid with full power to make from time to time, subject to the terms of the Leases, all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to the Assignee and to apply such rents, revenues, payments and income to the payment of: (a) all reasonable expenses of managing the Property, including the salaries, fees and wages of a managing agent and such other employees as the Assignee may deem necessary or desirable; all taxes, charges, claims assessments, water rents, sewer rents and any other liens, and premiums for all insurance which the Assignee may deem necessary or desirable, and the reasonable cost of all alterations, renovations, repairs or replacements, and all reasonable expenses incident to taking and retaining possession of the Property; and (b) the principal sum, interest and indebtedness secured hereby and by the Mortgage, together with all costs and attorneys' fees, in such order of priority as to any of the items mentioned in this paragraph as Assignee in its sole discretion may determine. The exercise by the Assignee of the option granted it in this paragraph and the collection of the rents, revenues, payments and income and the application thereof as herein provided shall not be considered a waiver of any default or Event of Default by Assignor under the Note, the Loan Agreement, the Mortgage or this Assignment. Furthermore, Assignor agrees that the exercise by Assignee of one or more of its rights and remedies hereunder shall in no way be deemed or construed to make Assignee a mortgagee in possession.

3. Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to let the premises after default or from any other act or omission of Assignee either in collecting the rents, revenues, payments and income hereunder or, if Assignee shall have taken possession of the Property, in managing the Property after default. Further, Assignee shall not be obligated to perform or discharge nor does Assignee hereby undertake to perform or discharge any obligation, duty or liability under the Leases or under or by reason of this Assignment. And it is further understood that this Assignment shall not operate to place responsibility for the control, care, management or repair of the Property upon Assignee, nor for the carrying out of any of the terms and conditions of said Leases; nor shall it operate to make Assignee responsible or liable for any waste committed on the Property by the tenants or any other parties, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger.

4. Assignor shall not amend, modify, renew, extend, terminate or enter into any Lease without the prior written consent of Assignee.

5. Upon payment in full of the principal sum, interest and indebtedness secured hereby and by the Mortgage, as evidenced by the recording of a full and absolute discharge of the Mortgage in the Cook County Recorder's Office (prior to the vesting of title to the Property in Assignee, its successors and assigns or any purchaser at a foreclosure of the Mortgage sale), this Assignment shall become and be void and of no effect. Assignor hereby irrevocably authorizes and directs the lessees now or hereafter named in the Leases, upon receipt from Assignee of written notice to the effect that Assignee is then the holder of the Note that an Event of Default exists thereunder, to pay over to Assignee all rents, revenues, payments and income arising or accruing under the Leases or from the premises described therein or in the Mortgage and to continue so to do until otherwise notified by the Assignee.

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6. Assignee may take or release other security for the payment of said principal sum, interest and indebtedness, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of such principal sum, interest or indebtedness without prejudice to any of its rights under this Assignment.

7. Assignor agrees that it will, upon demand from time to time therefor by Assignee, deliver to Assignee a certified copy of each and every Lease then affecting all or any part of the Property.

8. Nothing contained in this Assignment and no act done or omitted by Assignee pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by Assignee of any of its rights and remedies under the Note, the Loan Agreement, the Mortgage or any other Loan Document. This Assignment is made and accepted without prejudice to any of such rights and remedies possessed by Assignee to collect the principal sum, interest and indebtedness secured hereby and to enforce any other security therefor held by it, and said rights and remedies may be exercised by Assignee either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

9. Any notice which any party hereto may be required or may desire to give hereunder shall be delivered personally or if mailed, postage prepaid, by United States registered or certified mail, return receipt requested, or by overnight express courier, addressed in the case of Assignor to:

Mr. Charles Priester
Priester Aviation
Pal-Waukee Airport
Wheeling, IL 60090

in the case of Assignee to:

NOVUS Credit Services Inc.
2500 Lake Cook Road, 1-West
Riverwoods, IL 60015
Attn: M.S. Dempsey

Fox Swibel & Levin
500 N. Dearborn
Suite 202
Chicago, IL 60610
Attn: Lawrence Swibel

with a copy to:

Dean Witter, Discover & Co.
2500 Lake Cook Road, 1-West
Riverwoods, IL 60015
Attn: B.L. Osborne

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Katten Muchin & Zavis
525 West Monroe Street
Suite 1600
Chicago, IL 60661-3693
Attn: Andrew D. Small, Esq.

or at such other addresses or to the attention of such other persons as may from time to time be designated by the party to be addressed by written notice to the other in the manner herein provided. Notices, demands and requests given in the manner aforesaid shall be deemed sufficiently served or given for all purposes hereunder when received or when delivery is refused or when the same are returned to sender for failure to be called for.

10. In all respects, including, without limitation, matters of construction and performance of this Assignment and the obligations arising hereunder, this Assignment shall be governed by, and construed in accordance with, the internal laws of the State of Illinois applicable to contracts made and performed in such state and any applicable laws of the United States of America; except that with respect to the validity, priority and enforceability of this Assignment and the provisions hereof which relate to realizing upon the Leases, the applicable provisions of this Assignment shall be governed by, and interpreted in accordance with, the laws of the State of Illinois, it being understood that, to the fullest extent permitted by the law of such state, the law of the State of Illinois shall govern the validity and enforceability of the obligations arising under this Assignment.

IN WITNESS WHEREOF, Assignor has duly executed and delivered this Assignment as of the date first written above.

PALWAUKEE AVIATION, INC., an Illinois corporation, doing business as Priester Aviation

By: *Andrew D. Small*
Its: *President*

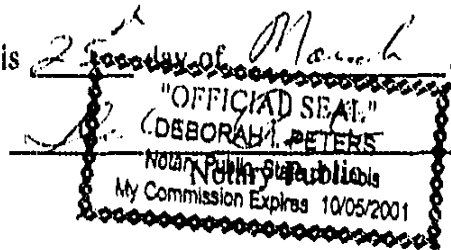
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STATE OF Illinois)
)
COUNTY OF Cook) SS

I, Deborah Peters, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Charles E. Priole personally known to me to be the President CEO of Palwaukee Aviation, Inc., an Illinois corporation, and 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 as such _____, (s)he signed and delivered the said instrument and caused the corporate seal of said corporation to be affixed thereon pursuant to authority given by the Board of _____ of said corporation as his/her free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 25th day of March, 1998.



My commission expires 10/05/2001.

Prepared by
Mail to:
Andrew Small
Katten Muchin & Zavis
575 W Monroe St
#1600
Chicago, IL 60601



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SCHEDULE A

REAL PROPERTY

THAT PART OF THE WEST 1/2 OF SECTION 13, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT OF LAND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 13; THENCE SOUTH ALONG THE EAST LINE OF SAID NORTHWEST QUARTER SECTION, A DISTANCE OF 2642.50 FEET TO THE CENTER OF SAID SECTION 13; THENCE NORTH 89 DEGREES 07 MINUTES 49 SECONDS WEST ALONG THE SOUTH LINE OF THE NORTHWEST QUARTER OF SAID SECTION 13, A DISTANCE OF 39.71 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 00 DEGREES 53 MINUTES 29 SECONDS WEST A DISTANCE OF 58.97 FEET; THENCE SOUTH 89 DEGREES 06 MINUTES 31 SECONDS EAST, A DISTANCE OF 314.03 FEET; THENCE NORTH 00 DEGREES 53 MINUTES 29 SECONDS EAST, A DISTANCE OF 249.00 FEET; THENCE NORTH 89 DEGREES 06 MINUTES 31 SECONDS WEST A DISTANCE OF 25.00 FEET; THENCE NORTH 00 DEGREES 53 MINUTES 29 SECONDS EAST A DISTANCE OF 75.00 FEET; THENCE NORTH 89 DEGREES 06 MINUTES 31 SECONDS WEST A DISTANCE OF 289.03 FEET; THENCE SOUTH 00 DEGREES 53 MINUTES 29 SECONDS WEST A DISTANCE OF 100.00 FEET; THENCE SOUTH 00 DEGREES 53 MINUTES 29 SECONDS WEST A DISTANCE OF 165.03 FEET TO THE POINT OF BEGINNING, CONTAINING 2.293 ACRES, MORE OR LESS, ALL IN COOK COUNTY, ILLINOIS.

Ch 14 Paul-Walker Airport
Wesling et al

Per H's 03-13-200-005

03-13-102-048 (affects part of subject property and other property)

03-13-200-011 (affects part of subject property and other property)

03-13-400-001 (affects part of subject property and other property)

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SCHEDULE B

(Schedule of Leases)

Full Hangar Lease dated June 3, 1998 by and between *PA/Waukee* ~~Priester~~ Aviation, Inc and NOVUS Credit Services Inc.

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