

COLLATERAL ASSIGNMENT AND SUBORDINATION OF ARTICLES OF AGREEMENT FOR DEED

THIS COLLATERAL ASSIGNMENT AND SUBORDINATION OF ARTICLES OF AGREEMENT FOR DEED (this "Assignment") is made as of July 28, 1998 by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO TRUST NO. 124298-09 (the "Trust"), KINZIE PROPERTIES L.L.C., an Illinois limited liability company ("Kinzie"), and 2100 CABRINI LIMITED PARTNERSHIP, an Illinois limited Partnership ("Cabrini") (the Trust, Kinzie and Cabrini are referred to collectively as the "Borrower"), to LASALLE BANK F.S.B. ("Lender").

RECITALS:

1. Lender has agreed to loan to Kinzie and LASALLE NATIONAL BANK TRUST NO. 112561 ("Seller Land Trust") the principal amount of \$440,250 and to the Trust, Cabrini and the Seller Land Trust the principal amount of \$1,320,750 (collectively, the sum of \$1,761,000 is referred to as the "Loan"). The Loan is evidenced by a certain \$440,250 Mortgage Note A ("Note A") of even date herewith made by the Trust and Kinzie payable to the order of Lender to evidence the Loan and a certain \$1,320,750 Mortgage Note B ("Note B") of even date herewith made by the Trust and Cabrini payable to the order of Lender (Note A and Note B are referred to collectively as the "Note"). The Note is secured by, among other things, the Mortgage of even date herewith (the "Mortgage") made by the Trust in favor of Lender covering the real property legally described in Exhibit A attached hereto, together with all buildings, structures and improvements now or hereafter erected thereon (collectively, the "Property") and by certain additional collateral as more particularly described in the Mortgage (the Note, the Mortgage and all of the other documents and instruments, evidencing, securing or otherwise executed in connection with the Loan being hereinafter referred to as the "Loan Documents").

A. Seller Land Trust and 2525 NORTH ELSTON PARTNERS, LTD., an Illinois limited partnership ("Elston") (Seller Land Trust and Elston are referred to collectively as "Seller"), and Borrower have entered into Articles of Agreement for Deed dated as of July 28, 1998 (the "Articles of Agreement"), pursuant to which Seller, subject to certain terms and conditions set forth in the Articles of Agreement, is to convey the Property to Borrower.

B. One of the conditions precedent to the closing of the Loan (the "Closing") is the execution and delivery of this Assignment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees as follows:

1. **Definitions.** Capitalized terms used but not otherwise defined herein that are defined in the Note shall have the meanings ascribed to such terms in the Note.

BOX 333-CTI

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2. **Assignment.** Borrower hereby grants, transfers and assigns to Lender all of Borrower's right, title and interest in and to the Articles of Agreement. This Assignment is made for the purpose of securing the payment and performance of Seller's or Borrower's obligations arising under and pursuant to the Note and the other Loan Documents to which Seller or Borrower are parties (collectively, the "Obligations") and is for collateral security purposes only. Lender shall not by virtue of this Assignment obtain rights against Sellers greater than the rights Borrower has against Sellers with respect to the Articles of Agreement and shall have all other rights and remedies of a secured creditor under all applicable laws.

3. **Limitation of Lender's Liability.** Notwithstanding anything to the contrary contained in the Articles of Agreement, the interest of Borrower therein is assigned and transferred to Lender by way of collateral security only and the Lender, by its acceptance hereof, shall not be deemed to have assumed or become liable for any of the obligations or liabilities of Borrower under such document, whether provided for by the terms thereof, arising by operation of law or otherwise. Borrower hereby acknowledges that Borrower shall remain liable for the due performance of Borrower's obligations under the Articles of Agreement to the same extent as though this Assignment had not been made. It is expressly intended, understood and agreed that the Note, the Mortgage, this Assignment and the other Loan Documents are made and entered into for the sole protection and benefit of Lender and Borrower, and their respective successors and assigns (but in the case of assigns of Borrower, only to the extent permitted hereunder), and no other person or persons shall have any right of action hereunder or rights to the proceeds of the Loan at any time and that no third party shall under any circumstances be entitled to any equitable lien on the undisbursed proceeds of the Loan at any time. The relationship between Lender and Borrower is solely that of a lender and borrower, and nothing contained herein shall in any manner be construed as making the parties hereto partners or joint venturers or creating any other relationship other than lender and borrower.

4. **Covenants.**

(a) Borrower covenants with Lender (i) to observe and perform all obligations imposed upon Borrower under the Articles of Agreement, (ii) not to assign Borrower's interest under the Articles of Agreement except pursuant to this Assignment and the other Security Documents, (iii) not to waive, alter, modify or change the terms of the Articles of Agreement or terminate the same, (iv) to enforce diligently the performance by the Sellers of their obligations imposed upon them under the Articles of Agreement, (v) not to settle, compromise or offset any amounts payable by any Seller to Borrower without the prior written consent of Lender, and (vi) to notify Lender promptly of all circumstances relating to the Articles of Agreement and the rights and obligations of Borrower thereunder.

(b) Borrower shall sign and execute alone or with Lender any financing statement or other document or procure any documents and pay all costs, expenses and fees, including court costs and reasonable attorneys' fees, necessary to protect the security interest granted to Lender under this Assignment against the rights, interests and claims of third parties.

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5. **Remedies for Default.** If an Event of Default under the Note has occurred and is continuing and the repayment of the Loan has been accelerated, Lender shall have the right to enforce the Articles of Agreement and shall have all other rights and remedies of a secured creditor under applicable law.

6. **Subordination of Articles of Agreement.** The interest created by the Articles of Agreement in the Property shall hereafter be subject and subordinate to the liens and security interests created by the Mortgage and each of the other Loan Documents, as the same may be modified or amended, to the full extent of the Loan. Borrower shall have no right to participate in the adjustment or settlement of insurance losses and/or condemnation claims with respect to all or any portion of the Property. Borrower hereby further agrees, upon the request and at the direction of Lender, to endorse in favor of Lender any and all checks payable to Borrower which represent insurance or condemnation proceeds paid for claims relating to the Property in any way. Borrower hereby appoints Lender as its attorney-in-fact, in its place and stead to settle all insurance claims relating to the Property and to receive all payments and endorse all checks with regard thereto to the full extent of all amounts secured by the Loan Documents. All insurance or condemnation proceeds received by Lender in excess of the outstanding amounts secured by the Loan Documents shall be promptly remitted jointly to Borrower and Sellers as their interests may appear.

7. **Forfeiture.**

(a) Borrower hereby covenants and agrees that upon the occurrence of an Event of Default under the Note, the Mortgage or any of the other Loan Documents, Lender may, at its sole discretion, after providing written notice to Borrower of such Event of Default and providing Borrower with an opportunity to cure such Event of Default within ten (10) days after the expiration of any applicable grace period expressly provided under the Note, the Mortgage or the other Loan Documents (or if no such grace period is provided, then within ten (10) days after receipt of the notice of such Event of Default) cause Borrower's interest under the Articles of Agreement to be conveyed or assigned to a nominee for the Lender. Such actions may be taken by Lender with or without releasing or extinguishing the Loan Documents or the liens or security interests created thereby and without Lender having any obligation to commence a foreclosure proceeding or have a receiver appointed. Borrower hereby waives the right to assert any and all claims and defenses against Lender relating to or arising from any action taken by Lender pursuant to this subsection, including without limitation, the right to assert that the Mortgage was merged into any deed or instrument of conveyance to a nominee for Lender. Lender hereby waives any right to have a receiver appointed in connection with any foreclosure action filed by Lender against the Property.

(b) Borrower hereby agrees that its right title and interest and all liens against the Property shall, without further action of the parties hereto, be automatically extinguished upon any conveyance or assignment of the Articles of Agreement to Lender or its designee in lieu of foreclosure as provided in subsection (a) above. Should Lender elect, Borrower, immediately upon demand by Lender, shall execute a release of the Articles of Agreement

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with respect to the Property in form and substance reasonably acceptable to Lender in the event of such a conveyance or assignment. Should Borrower fail to execute such release, then Lender, as attorney-in-fact for the Borrower, may execute and record such a release. Borrower hereby irrevocably designates, makes, constitutes and appoints Lender (and all persons designated by Lender) as Borrower's true and lawful attorney (and agent in fact) with power to execute and record such release on behalf of Borrower.

## 8. Miscellaneous.

(a) Nothing contained in this Assignment and no act done or omitted by Lender pursuant to the powers and rights granted hereunder shall be deemed to be a waiver by Lender of its rights and remedies hereunder or with respect to any of the other Collateral securing the Obligations. The right of Lender to enforce any other security for the Obligations may be exercised either prior to, simultaneously with, or subsequent to any action taken by Lender hereunder.

(b) Time is of the essence with respect to the performance of the provisions of this Assignment. The headings of paragraphs in this Assignment are for convenience only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

(c) This Assignment, together with the representations, warranties and covenants herein contained, shall inure to the benefit of Lender and its successors and assigns and shall be binding upon Borrower and its successors and assigns.

(d) If any provision of this Assignment is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, Borrower and Lender shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this Assignment and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect.

(e) All notices and communications under this Assignment shall be in writing and shall be (i) delivered in person, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case as follows:

To Lender :                      LaSalle Bank FSB  
    8303 West Higgins Road  
    Chicago, Illinois 60631  
    Attn: Michael McGrogan

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With copy to: Schwartz Cooper Greenberger & Krauss, Chtd.  
180 North LaSalle Street, Suite 2700  
Chicago, Illinois 60601  
Attn: Mark B. Buttermann, Esq.

To Borrower: c/o Bernard Leviton  
1839 North Lincoln Avenue  
Chicago, Illinois 60614

With copy to: (Prior to September 1, 1999)  
Fuchs & Roselli  
6 West Hubbard Street, Suite 800  
Chicago, Illinois 60610  
Attn: John Roselli, Esq.

(On and subsequent to September 1, 1999)  
440 W. Randolph Street  
Chicago, Illinois 60606

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this Paragraph shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

9. **JURISDICTION AND VENUE.** BORROWER HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS INITIATED BY BORROWER AND ARISING DIRECTLY OR INDIRECTLY OUT OF THIS ASSIGNMENT SHALL BE LITIGATED IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS, OR THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS OR, IF LENDER INITIATES SUCH ACTION, ANY COURT IN WHICH LENDER SHALL INITIATE SUCH ACTION AND WHICH HAS JURISDICTION. BORROWER HEREBY EXPRESSLY SUBMITS AND CONSENTS IN ADVANCE TO SUCH JURISDICTION IN ANY ACTION OR PROCEEDING COMMENCED BY LENDER IN ANY OF SUCH COURTS, AND HEREBY WAIVES PERSONAL SERVICE OF THE SUMMONS AND COMPLAINT, OR OTHER PROCESS OR PAPERS ISSUED THEREIN, AND AGREES THAT SERVICE OF SUCH SUMMONS AND COMPLAINT OR OTHER PROCESS OR PAPERS MAY BE MADE BY REGISTERED OR CERTIFIED MAIL ADDRESSED TO BORROWER AT THE ADDRESS TO WHICH NOTICES ARE TO BE SENT PURSUANT TO THIS ASSIGNMENT. BORROWER WAIVES ANY CLAIM THAT CHICAGO, ILLINOIS OR THE NORTHERN DISTRICT OF ILLINOIS IS AN INCONVENIENT FORUM OR AN IMPROPER FORUM BASED ON LACK OF VENUE. SHOULD BORROWER, AFTER BEING SO SERVED,

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FAIL TO APPEAR OR ANSWER TO ANY SUMMONS, COMPLAINT, PROCESS OR PAPERS SO SERVED WITHIN THE NUMBER OF DAYS PRESCRIBED BY LAW AFTER THE MAILING THEREOF, BORROWER SHALL BE DEEMED IN DEFAULT AND AN ORDER AND/OR JUDGMENT MAY BE ENTERED BY LENDER AGAINST BORROWER AS DEMANDED OR PRAYED FOR IN SUCH SUMMONS, COMPLAINT, PROCESS OR PAPERS. THE EXCLUSIVE CHOICE OF FORUM FOR BORROWER SET FORTH IN THIS SECTION SHALL NOT BE DEEMED TO PRECLUDE THE ENFORCEMENT, BY LENDER, OF ANY JUDGMENT OBTAINED IN ANY OTHER FORUM OR THE TAKING, BY LENDER, OF ANY ACTION TO ENFORCE THE SAME IN ANY OTHER APPROPRIATE JURISDICTION, AND BORROWER HEREBY WAIVES THE RIGHT, IF ANY, TO COLLATERALLY ATTACK ANY SUCH JUDGMENT OR ACTION.

10. WAIVER OF RIGHT TO JURY TRIAL. LENDER AND BORROWER ACKNOWLEDGE AND AGREE THAT ANY CONTROVERSY WHICH MAY ARISE UNDER THE LOAN DOCUMENTS OR WITH RESPECT TO THE TRANSACTIONS CONTEMPLATED HEREIN AND THEREIN WOULD BE BASED UPON DIFFICULT AND COMPLEX ISSUES AND THEREFORE, THE PARTIES AGREE THAT ANY COURT PROCEEDING ARISING OUT OF ANY SUCH CONTROVERSY WILL BE TRIED IN A COURT OF COMPETENT JURISDICTION BY A JUDGE SITTING WITHOUT A JURY.

11. Trustee Exculpation

This Assignment is executed by American National Bank and Trust Company of Chicago, not personally but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed that nothing in this Assignment shall be construed as creating any liability on such Trustee personally to perform any express or implied covenant, condition or obligation under this Assignment, hereafter claiming any right, title, or interest under this Assignment, provided, however, that the foregoing exculpation of the Trustee shall not impair or otherwise affect any of Lender's rights or remedies against the assets held by Borrower or other collateral now or hereafter pledged to Lender as security for the obligations of Borrower, or against any guarantor of the Loan or any other person or entity liable for the obligations of Borrower.

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IN WITNESS WHEREOF, this Assignment has been made by Borrower as of the day and year first written above.

**BORROWER:**

**AMERICAN NATIONAL BANK AND TRUST  
COMPANY OF CHICAGO, AS TRUSTEE  
AFORESAID**

By:  \_\_\_\_\_

Title: VICE PRESIDENT

**KINZIE PROPERTIES L.L.C., an Illinois limited  
liability company**

By:  \_\_\_\_\_

Bernard Leviton

Title: Manager

By:  \_\_\_\_\_

Harry Huzenis

Title: Manager

**2100 CABRINI LIMITED PARTNERSHIP, an  
Illinois limited partnership**

By:  \_\_\_\_\_

Bernard Leviton

Title: General Partner

By:  \_\_\_\_\_

Michael Lerner

Title: General Partner

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## CONSENT TO ASSIGNMENT

Each of the undersigned hereby consents to the foregoing Assignment and agrees that if Lender (or any of its successors or assigns) exercises its rights under the foregoing Assignment, Lender (or any of its successors or assigns) shall be entitled to exercise all of the rights of Borrower under the Articles of Agreement, subject to the last sentence of Section 2 of the foregoing Assignment.

Nothing in this Consent shall be construed as creating any liability of the Elston as a borrower or debtor of or to Lender with respect to any credit extended or mentioned herein.

This consent to Assignment is executed by LaSalle National Bank, not personally but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed that nothing in this consent to Assignment shall be construed as creating any liability on such Trustee personally to perform any express or implied covenant, condition or obligation under this consent to Assignment all such liability, if any, being expressly waived by every person or entity now or hereafter claiming any right, title, or interest under this consent to Assignment, provided, however, that the foregoing exculpation of the Trustee shall not impair or otherwise affect any of Lender's rights or remedies against the assets held by Borrower or Sellers or other collateral now or hereafter pledged to Lender as security for the obligations of Sellers or Borrower or any other person or entity liable for the obligations of Sellers or Borrower.

Dated: July 28, 1998.

LASALLE NATIONAL BANK, as trustee  
under Trust Agreement dated September 2,  
1987 and known as Trust Number 112561 (the  
"Trust")

By: Nancy A. Carter

Its: \_\_\_\_\_

2525 NORTH ELSTON PARTNERS,  
LTD., an Illinois limited partnership (the  
"Elston")

By: Walter Mainieks  
Walter Mainieks, General Partner

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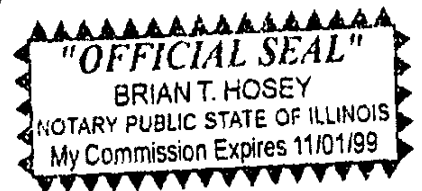
STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, do hereby certify that EILEEN F. NEARY, the \_\_\_\_\_ <sup>Publ Officer</sup> of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such \_\_\_\_\_, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this \_\_\_\_\_ day of JUL 28 1998, 1998.

Brian T. Hosey  
NOTARY PUBLIC

(SEAL)



. DEPT-01 RECORDING \$47.00  
. T#0007 TRAN 3318 08/03/98 12:03:00  
. #9790 RC \*-98-679197  
. COOK COUNTY RECORDER  
. DEPT-10 PENALTY \$44.00

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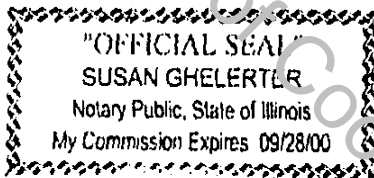
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STATE OF ILLINOIS     )  
  ) SS.  
COUNTY OF COOK     )

I, Susan Ghelertler, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **Bernard Leviton** and **Harry Huzenis**, the Managers of **KINZIE PROPERTIES L.L.C.**, an Illinois limited liability company who is personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such managers, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said **KINZIE PROPERTIES L.L.C.** for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 28th day of July, 1998.



Susan Ghelertler  
NOTARY PUBLIC

(Seal)

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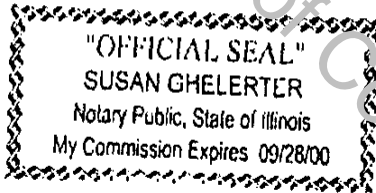
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STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF COOK     )

I, Susan Ghelert, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **Bernard Leviton and Michael Lerner**, the General Partners of **2100 CABRINI LIMITED PARTNERSHIP**, an Illinois limited partnership who is personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such general partners, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said **2100 CABRINI LIMITED PARTNERSHIP** for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 28th day of July, 1998.



Susan Ghelert  
NOTARY PUBLIC

(Seal)

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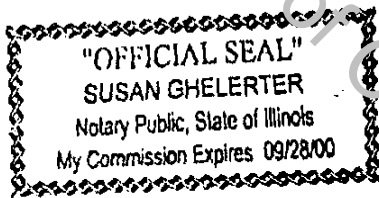
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STATE OF ILLINOIS     )  
                                  ) SS.  
COUNTY OF COOK     )

I, Susan Ghelerter, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Walter Mainieks, the General Partner of **2525 NORTH ELSTON PARTNERS, LTD.**, an Illinois limited partnership, who is personally known to me to be the same person whose names is subscribed to the foregoing instrument as such General Partner, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said **2525 NORTH ELSTON PARTNERS, LTD.** for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 24<sup>th</sup> day of July, 1998.



Susan Ghelerter  
NOTARY PUBLIC

(Seal)

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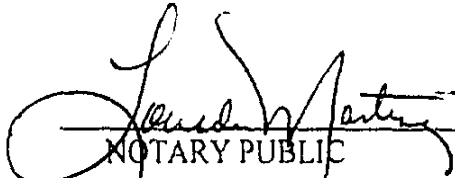


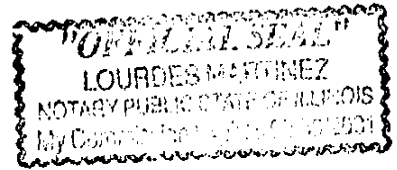
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STATE OF ILLINOIS     )  
  ) SS.  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that \_\_\_\_\_, the \_\_\_\_\_ of LASALLE NATIONAL BANK, as Trustee, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such \_\_\_\_\_, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 28<sup>th</sup> day of JULY, 1998.

  
\_\_\_\_\_  
NOTARY PUBLIC  
(SEAL)



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## EXHIBIT A

### Legal Description of Real Estate

All of Lot 2 and that part of Lot 3 lying Southeasterly of a line 30 feet (measured at right angles to the Southwesterly line of said Lot 3) Northwesterly of the Southeasterly line of said Lot 3 together with that part of vacated snow street extending from the North line of North Elston Avenue to the Westerly dock line of the North branch of the Chicago River and Northwesterly of a line 5.08 feet Southeasterly of and parallel to the Northeasterly line of said vacated snow street, all in snow estate subdivision by superior court in partition of the East 1/2 of the Northwest 1/4 of Section 30, Township 40 North, Range 14 East of the Third Principal Meridian, and the East 1/2 of the Northeast 1/4 of Section 25, Township 40 North, Range 13 East of the Third Principal Meridian, except the South 20 acres, also that part of the Southwest 1/4 of said Section 30 lying North and East of the North branch of the Chicago River, also Lots 2, 3, 4, 6, 7, 9 and 11 in the Assessor's Division of that part of the Southwest 1/4 of said Section 30 lying between the railroad and the River in Cook County, Illinois.

Common Address: 2525 North Elston Avenue  
Chicago, Illinois

Permanent Real Estate Tax Index No.: 14-30-301-020-0000

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