

ASSIGNMENT OF LEASE AND RENTS

WEC 98C-5 LLC,
(Assignor)

to

RED MOUNTAIN FUNDING, L.L.C.,
(Assignee)

Dated: August 31, 1998

This instrument prepared by and upon
recordation should be returned to:

Burr & Forman LLP
One Georgia Center, Suite 1200
600 W. Peachtree Street
Atlanta, Georgia 30308
Attention: Gary W. Farris, Esq.

Location: Lincoln Highway/Cicero Avenue, Matteson, Illinois

Tax Parcel Number: 31-22-300-023

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BOX 333-CTI

CHARGE C.T.I.C. DuPAGE

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This **ASSIGNMENT OF LEASE AND RENTS** (herein, together with all modifications, supplements and amendments hereto, called this "Assignment"), dated as of August 5th, 1998 made by **WEC 98C-5 LLC**, a Texas limited liability company having an office at 6750 LBJ Freeway, Suite 1100, Dallas, Texas 75240 ("Borrower") to **RED MOUNTAIN FUNDING, L.L.C.**, a Delaware limited liability company having an address at 420 North 20th Street, 9th Floor, Birmingham, Alabama 35203 ("Lender").

WITNESSETH:

WHEREAS, CPS Department Stores, Inc., a Delaware corporation ("Lessee"), is the current lessee under a Lease Agreement dated October 31, 1985 (hereinafter, as heretofore amended by an Amendment of Lease dated as of August 1, 1993, and as further amended and extended by Second Amendment to Lease of even date herewith, and as it may hereafter from time to time be modified, supplemented or amended, called the "Lease") covering the lot(s) or parcel(s) of land described in **Exhibit A** annexed hereto and made a part hereof, together with the easements, rights and appurtenances appertaining thereto (the "Land"), all buildings and other improvements now or hereafter located thereon (the "Improvements") and the machinery and equipment which is owned by Borrower and attached to the Improvements (the "Equipment"), all as more particularly described in the Security Instrument (as hereinafter defined) the Land, the Improvements and the Equipment are hereinafter referred to collectively as (the "Mortgaged Property");

WHEREAS, Borrower has purchased the Mortgaged Property subject to the Lease, and in connection therewith the existing lessor under the Lease has transferred and assigned to Borrower, and Borrower has assumed, all of the lessor's right, title, and interest in and to the Lease;

WHEREAS, contemporaneously with Borrower's purchase of the Mortgaged Property, Proffitt's, Inc., a Delaware corporation ("Lease Guarantor") has executed and delivered to Borrower a Corporate Guaranty of even date herewith (the "Lease Guaranty") pursuant to which Lease Guarantor guarantees the prompt payment and performance of all obligations of Lessee under the Lease;

WHEREAS, contemporaneously with the execution of this Assignment, Lender is making a mortgage loan to Borrower in the principal amount of \$13,612,500.00 (the "Loan") as evidenced by a Promissory Note dated as of the date hereof by Borrower to Lender (the "Note") and secured by a Mortgage, Security Agreement and Assignment of Leases and Rents of even date herewith by Borrower for the benefit of Lender, covering the Mortgaged Property (the "Security Instrument"); and

WHEREAS, Borrower has agreed to execute and deliver this Assignment for the purpose of securing the payment of the principal of, interest on, premium (if any) and all other amounts payable in respect of the Note and the Security Instrument and the performance of the covenants and agreements contained herein and in the Note and the Security Instrument (collectively, the "Obligations");

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. Borrower, as security for the Obligations, has assigned, transferred, conveyed and set over, and by these presents does hereby presently, unconditionally and irrevocably assign, transfer, convey and set over to Lender, all of Borrower's estate, right, title and interest in, to and under the Lease and the Lease Guaranty, together with all rights, powers, privileges, options and

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other benefits of Borrower, as the lessor under the Lease and as beneficiary of the Lease Guaranty, and together with any and all other leases, subleases, if and to the extent that Borrower has an interest therein pursuant to the Lease, licenses, rental agreements and occupancy agreements of whatever form now or hereafter affecting all or any part of the Mortgaged Property, including, without limitation, the immediate and continuing right:

(a) to make claim for, receive and collect (and to apply the same to the payment of the Obligations) all rents (including all basic rent and additional rent), income, revenues, issues, profits, insurance proceeds, condemnation proceeds, moneys, demolition deposits, security deposits, demands, and damages payable to or receivable by Borrower under the Lease or pursuant to any of the provisions thereof (such rents, income, revenues, issues, profits, proceeds, moneys, security deposits or damages, collectively, the "Rents");

(b) to accept (i) any offer by Lessee pursuant to the Lease to purchase the Mortgaged Property or any part thereof or (ii) any condemnation proceeds or insurance proceeds payable in connection with a loss or destruction thereof as provided in and subject to the Lease;

(c) to make all waivers and agreements of any kind; and

(d) to give all notices, consents, rejections, approvals, disapprovals, releases and other instruments.

2. Borrower agrees that it shall not (a) declare a default or an event of default or exercise any claims, rights, or remedies under the Lease or the Lease Guaranty, except in respect of any Excepted Rights and Payments, as hereinafter defined (but with respect thereto only upon the terms and conditions expressly permitted in the definition thereof), or terminate, modify, amend, waive or accept a surrender of, or offer or agree to any termination, modification, consent, amendment, waiver or surrender of, or give or withhold any consent with respect to, exercise any right or option or take any other action required or contemplated by, the Lease or the Lease Guaranty or any term or provision thereof, except as otherwise provided in the Security Instrument, made by the Lessee pursuant to the Lease, or (b) receive or collect, or permit the receipt or collection of any payment, of Rents (excepting only such amounts as shall be within the definition of Excepted Rights and Payments), purchase proceeds or avails, insurance proceeds (excepting only such amounts as shall be within the definition of Excepted Rights and Payments) or condemnation awards, prior to the date for the payment thereof provided for by the Lease, or assign, transfer or hypothecate (other than to Lender) any payment of Rents, purchase proceeds or avails, insurance proceeds or condemnation awards, then due or to accrue in the future under the Lease. As used herein, "Excepted Rights and Payments" means the following described properties, payments, amounts, rights, interests and privileges:

(i) all payments by Lessee pursuant to any indemnity or guaranty under the Lease which by the terms thereof are payable to Borrower or its successors, permitted assigns, employees, officers, directors, shareholders, members, servants, agents and affiliates thereof;

(ii) any insurance proceeds to the extent payable under general public liability policies maintained by Lessee pursuant to Section 18 of the Lease, which, by the terms of such policies, are payable directly to Borrower or its successors,

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permitted assigns, employees, officers, directors, shareholders, members, servants, agents and affiliates thereof, in each such case for their own respective accounts;

(iii) the right of the Borrower, but not to the exclusion of Lender, (A) to receive from Lessee certificates and other documents and information that Lessee is required to give or furnish to Borrower pursuant to the Lease, (B) to inspect the premises demised under the Lease and all records relating thereto and (C) to sue for damages or to enforce performance or observance by Lessee of the applicable covenants and terms of the Lease as allowed by law, equity, or the Lease, but subject to any prohibitions against same as specifically set forth in the Security Instrument; and

(iv) the right of Borrower, on its behalf only, to consent or approve or refuse to consent or approve the matters set forth in Sections 19.4, 40, and 46 of the Lease.

Notwithstanding the foregoing, Borrower shall not be entitled to exercise, enforce, or collect any Excepted Rights and Payments if an Event of Default (as defined in the Security Instrument) has occurred.

3. This Assignment is executed as collateral security and the execution and delivery hereof shall not in any way impair or diminish the obligations of Borrower under the Lease, nor shall any of the obligations contained in the Lease be imposed upon Lender (unless and until fee title to the Mortgaged Property is transferred to Lender pursuant to a foreclosure of the Security Instrument or other exercise by Lender of its remedies under the Security Instrument). Upon the payment of the Obligations, this Assignment and all rights herein assigned to Lender shall automatically cease and terminate and all estate, right, title and interest of Borrower in and to the Lease shall revert to Borrower, and Lender shall, at the request and at the expense of Borrower, deliver to Borrower an instrument in recordable form canceling this Assignment and reassigning the Lease without recourse, representation or warranty, to Borrower.

4. Borrower hereby presently, unconditionally and irrevocably designates Lender to receive, and directs Lessee to pay to Lender or its designated servicer, all payments payable or receivable under both the Lease, including, without limitation, all payments of basic rent and additional rent, and other sums payable to the lessor under the Lease, and no such payment by Lessee under the Lease shall be effective to discharge the obligation of Lessee under the Lease to make such payment unless made to Lender in accordance with such designation and direction. Borrower agrees that any Rents received by Borrower shall be held in trust by Borrower for the sole and exclusive benefit of Lender and shall be delivered by Borrower to Lender within five (5) business days after receipt of the same. Borrower hereby designates Lender to receive duplicate original copies of all notices, undertakings, demands, statements, offers, documents and other instruments and communications which Lessee is or may be required or permitted to give, make, deliver to or serve upon Borrower under the Lease. Borrower hereby directs Lessee to deliver to Lender, at its address set forth below or at such other address as Lender shall designate to Borrower, duplicate original copies of all such notices, undertakings, demands, statements, documents and other communications. No delivery thereof by Lessee shall be of any force or effect unless made to Lender and Borrower.

5. Borrower represents and warrants to Lender that, as of the date hereof, (a) the Lease and the Lease Guaranty are in full force and effect and no default exists thereunder; (b) Borrower is the sole owner of the entire lessor's interest in the Lease; (c) Borrower has delivered to Lender

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a true, correct and complete copy of the Lease, as amended to the date hereof, and the Lease Guaranty; (d) Borrower has full power and authority to execute and deliver this Assignment; (e) Borrower has not executed any other assignment of the subject matter of this Assignment; (f) none of the Rents reserved in the Lease have been assigned or otherwise pledged or hypothecated; (g) none of the Rents have been collected for more than one (1) month in advance; and (h) there exist no offsets or defenses to the payment of any portion of the Rents.

6. Borrower shall not take any action as the lessor under the Lease or otherwise which is inconsistent with this Assignment or the Security Instrument, or make any other assignment, designation or direction inconsistent herewith or therewith, and any assignment, designation or direction inconsistent herewith or therewith shall be void. Borrower shall, from time to time upon the request of Lender, execute all reasonable instruments of further assurance and all such supplemental instruments with respect to the transactions contemplated hereby as Lender may specify.

7. Borrower further agrees with Lender that Borrower (a) shall observe and perform all the obligations imposed upon the lessor under the Lease and shall not do or permit to be done anything to impair the value of the Lease and the Lease Guaranty as security for the Obligations; (b) except as otherwise provided in the Security Instrument, shall not execute any other assignment of lessor's interest in the Lease; (c) shall not alter, modify or change the terms of the Lease or the Lease Guaranty, or cancel or terminate the Lease or the Lease Guaranty or accept a surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the Mortgaged Property or of any interest therein so as to effect a merger of the estates and rights of, or termination or diminution of the obligations of Lessee thereunder; (d) shall not consent to any assignment of or subletting under the Lease not in accordance with the Lease terms without the prior written consent of Lender; and (e) except as provided for in the Excepted Rights and Payments, shall not pursue any remedies under the Lease or the Lease Guaranty, without the prior written agreement of Lender, which will not be unreasonably withheld, conditioned or delayed.

8. Upon and during the continuance of an Event of Default (as defined in the Security Instrument), Lender may, at its option, without waiving such Event of Default, without notice and without regard to the adequacy of the security for the Obligations, either in person or by agent or servicer, with or without bringing any action or proceeding, or by a receiver appointed by a court, enforce its interest in the Lease and Rents and take possession of the Mortgaged Property and have, hold, manage, lease and operate the Mortgaged Property on such terms and for such period of time as Lender may deem proper and either with or without taking possession of the Mortgaged Property in its own name, demand, sue for or otherwise collect and receive all Rents which are currently due or past due and unpaid with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as may be permitted under the Lease and as may seem proper to Lender and shall apply the Rents to the payment of the following in such order and proportion as Lender in its sole discretion may determine, any law, custom or use to the contrary notwithstanding:

(i) all reasonable and necessary expenses of managing and securing the Mortgaged Property, including, without being limited thereto, the salaries, fees and wages of a managing agent and such other employees or agents as Lender may deem necessary or desirable and all expenses of operating and maintaining the Mortgaged Property, including, without being limited thereto, all taxes, charges, claims, assessments, water charges, sewer rents and any other liens, and premiums for all insurance which Lender may deem necessary or desirable, and the cost of all

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alterations, renovations, repairs or replacements permitted under the Lease, and all expenses incident to taking and retaining possession of the Mortgaged Property; and

(ii) the Obligations, together with all costs and reasonable attorneys' fees and disbursements.

In addition to the rights which Lender may have herein, upon the occurrence and during the continuation of an Event of Default, Lender, at its option, may either require Borrower to pay monthly in advance to Lender or the designee of Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Mortgaged Property as may be in possession of Borrower or may require Borrower to vacate and surrender possession of the Mortgaged Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise. For purposes of this paragraph, Borrower grants to Lender and the designee of Lender its irrevocable power of attorney, coupled with an interest, to take any and all of the aforementioned actions and any or all other actions designated by Lender for the proper management and preservation of the Mortgaged Property, which power of attorney Lender agrees not to exercise unless and until the occurrence and during the continuation of an Event of Default. The exercise by Lender of the option granted it in this paragraph and the collection of the Rents and the application thereof as herein provided shall not be considered a waiver of any default by Borrower under the Note, the Security Instrument, the Lease, this Assignment or any of the Other Security Documents (as defined in the Security Instrument).

9. Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to let the Mortgaged Property after an Event of Default or from any other act or omission of Lender in managing the Mortgaged Property after any Event of Default unless such loss is caused by the willful misconduct, gross negligence, and bad faith of Lender. Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Lease or under or by reason of this Assignment (unless and until fee title to the Mortgaged Property is transferred to Lender pursuant to a foreclosure of the Security Instrument or other exercise by Lender of its remedies under the Security Instrument) and Borrower shall, and hereby agrees, to indemnify Lender for, and to hold Lender harmless from, any and all liability, loss or damage which is incurred under the Lease or under or by reason of this Assignment and from any and all claims and demands whatsoever, including the defense of any such claims or demands which may be asserted against Lender by reason of any alleged obligations and undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Lease. Should Lender incur any such liability, the amount thereof, including costs, expenses and reasonable attorneys' fees and disbursements, shall be secured hereby and by the Security Instrument and the other Loan Documents and Borrower shall reimburse Lender therefor immediately upon demand and upon the failure of Borrower so to do Lender may, at its option, declare all sums secured hereby and by the Note, the Security Instrument and the other Loan Documents immediately due and payable. This Assignment shall not operate to place any obligation or liability for the control, care, management or repair of the Mortgaged Property upon Lender, nor for the carrying out of any of the terms and conditions of the Lease, nor shall it operate to make Lender responsible or liable for any waste committed on the Mortgaged Property by Lessee or any other parties (except to the extent caused by the gross negligence or willful misconduct of Lender), or for any dangerous or defective condition of the Mortgaged Property, including without limitation the presence of any Hazardous Substances (as defined in the Security Instrument) (except to the extent caused by the gross negligence or willful misconduct of Lender), or for any negligence in the management, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any lessee, licensee, employee or stranger.

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10. Lender may take or release other security for the payment of the Debt, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the reduction or satisfaction of the Debt without prejudice to any of its rights under this Assignment.

11. Nothing contained in this Assignment and no act done or omitted by Lender pursuant to the power and rights granted to Lender hereunder shall be deemed to be a waiver by Lender of its rights and remedies under the Note, the Security Instrument, or the other Loan Documents and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Lender under the terms thereof. The right of Lender to collect the Debt and to enforce any other security therefor held by it may be exercised by Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

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

13. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Assignment may be used interchangeably in singular or plural form and the word "Borrower" shall mean "each Borrower and any subsequent owner or owners of the Mortgaged Property or any part thereof or any interest therein, (unless such party has been released by Lender from its obligations)" the word "Lender" shall mean "Lender and any subsequent holder of the Note," the word "Note" shall mean "the Note and any other evidence of indebtedness secured by the Security Instrument," the word "person" shall include an individual, corporation, partnership, trust, unincorporated association, government, governmental authority, and any other entity, the words "Mortgaged Property" shall include any portion of the Mortgaged Property and any interest therein, and the word "Debt" shall mean the principal balance of the Note with interest thereon as provided in the Note and the Security Instrument and all other sums due pursuant to the Note, the Security Instrument, this Assignment and the other Loan Documents; whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

14. The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Assignment. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (i) failure of Lender to comply with any request of Borrower or any other party to take any action to enforce any of the provisions hereof or of the Security Instrument, the Note or the Other Security Documents, (ii) the release from the Security Instrument, regardless of consideration, of any part of the Mortgaged Property, or (iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of this Assignment, the Note, the Security Instrument or the Other Security Documents. Lender may resort for the payment of the Debt to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Lender may take any action to recover the Debt, or any portion thereof or to enforce any covenant hereof without prejudice to the right of Lender thereafter to enforce its rights under this Assignment. The rights of Lender under this Assignment shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

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15. If any term or provision of this Assignment or any application hereof shall be invalid or unenforceable, the remainder of this Assignment and any other application of such term or provision shall not be affected thereby.

16. All notices or other communications required or permitted to be given pursuant hereto shall be given in the manner specified in the Security Instrument directed to the parties at their respective addresses as provided therein.

17. This Assignment cannot be modified, changed or discharged except by an agreement in writing, duly acknowledged in form for recording, signed by the party against whom enforcement of such modification, change or discharge is sought.

18. This Assignment shall bind and inure to the benefit of the parties hereto and their respective successors and assigns and shall run with the Mortgaged Property.

19. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument.

20. This Assignment shall be governed by and construed in accordance with the laws of the State in which the Mortgaged Property is located.

21. The limitation of liability as against the Borrower (and its managers or members) contained within the Security Instrument are hereby incorporated into this Assignment.

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IN WITNESS WHEREOF, Borrower has executed this Assignment of Lease and Rents under seal as of the day and year first above written.

WEC 98C-5 LLC, a Texas limited liability company

By: Wolverine 98C-5, Inc., a Texas corporation
Its Manager

By: Kristin S. Markham
Name: Kristin S. Markham
Title: Vice President

[Affix corporate seal]

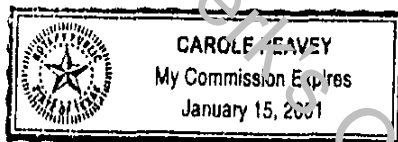
STATE OF Texas)
) SS
COUNTY OF Dallas)

I, Carole Peavey, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Kristin S. Markham, the Vice President of Wolverine 98C-5, Inc., a Texas corporation, which is the Manager of WEC 98C-5 LLC, a Texas limited liability company, 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 she signed and delivered said instrument as such officer of such corporation, as her own free and voluntary act and as the free and voluntary act of such corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 3rd day of July, 1998.

Carole Peavey
NOTARY PUBLIC

My Commission Expires:



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PARCEL 1:

LOT 2 IN LINCOLN MALL, BEING A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 22, TOWNSHIP 35 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT 21840371, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENTS CONTAINED IN THAT CERTAIN RECIPROCAL CONSTRUCTION OPERATION AND EASEMENT AGREEMENT DATED MARCH 7, 1972 AND RECORDED ON MARCH 24, 1972 AS DOCUMENT NUMBER 21846183, AS AMENDED BY EASEMENT AGREEMENT RECORDED ON MARCH 29, 1971, AS DOCUMENT 21433856, AND BY DOCUMENT NO. 24099069, IN, ON, OVER, UPON AND UNDER LOTS 1, 3, 4, 5 AND 6 IN LINCOLN MALL SUBDIVISION AFORESAID AS PROVIDED THEREIN.

PARCEL 3:

EASEMENTS CONTAINED IN THAT CERTAIN TOTAL SITE AGREEMENT DATED MARCH 7, 1972 AND RECORDED MARCH 24, 1972 AS DOCUMENT 21846182, AS AMENDED BY EASEMENT AGREEMENT RECORDED ON MARCH 29, 1971, AS DOCUMENT NO. 21433856, AND BY DOCUMENT NO. 24099069, IN, ON, OVER, UPON AND UNDER LOTS 1, 3, 4, 5, 8, 9, 10 11 AND 12 IN LINCOLN MALL SUBDIVISION AFORESAID AS PROVIDED THEREIN.

WEC 98C-5-Lincoln Mall:

Location: Lincoln Highway/Cicero Avenue, Matteson, Illinois
Tax Parcel Number: 31-22-300-023

RETURN TO: Sharon Cooper
CHICAGO TITLE INSURANCE
NATIONAL BUSINESS GROUP
7616 LBJ FRWY., SUITE 300
DALLAS, TEXAS 75251

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