



99264483

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES ("Assignment") made as of the 5th day of March, 1999 between WASHINGTON/CLINTON LLC, an Illinois limited liability company, having an address at c/o Fifield Realty Corp., 20 N. Wacker Drive, Suite 3200, Chicago, Illinois 60606 ("Borrower") and THE UNION LABOR LIFE INSURANCE COMPANY, a Maryland corporation with its principal office at 111 Massachusetts Avenue, N. W., Washington, D. C. (herein "Lender")

WITNESSETH:

WHEREAS Borrower is justly indebted to Lender and in evidence of such debt has executed and delivered to Lender a Note ("Note") in the principal amount of \$58,500,000.00 secured by, among other things, a Mortgage, Assignment of Leases and Rents and Security Agreement ("Mortgage") of even date herewith covering real property in the City of Chicago and related fixtures, equipment and personal property (hereunder referred to as the "Premises" or the "Property") described in Exhibit "A" attached hereto and by this reference made a part hereof; and

WHEREAS as a condition to making the loan evidenced by the Note, Lender has required this Assignment.

NOW, THEREFORE, in consideration of the loan referred to above, Borrower hereby grants, transfers and assigns unto Lender, its successors and assigns, all the right, title and interest of Borrower in and to all of the rents, issues, profits, revenues, royalties, rights, benefits and all license fees, concession fees, charges, rights, benefits and all other payments of any kind (including, without limitation, security deposits to the extent they may be lawfully assigned and all payments made on account of operating expenses and real estate taxes and other similar items whether categorized as rent, additional rent or otherwise (herein collectively called "Rents") of and from the Premises (including, but not limited to, the use, occupancy or utilization thereof), and in and to all leases of all or part of the Premises, now existing, or hereafter made, executed or delivered, whether oral or written, together with all renewals, extensions or modifications thereof as may have been, or may from time to time hereafter, be modified or extended, and any guaranties of the Lessee's obligations under any thereof, as may hereafter be amended or modified, (all of said leases, together with all such guarantees, modifications and extensions being hereinafter collectively referred to as the "Leases"). Borrower further agrees to execute assignments of any future Leases affecting all or any part of the Premises and assignments of any guaranties made in connection therewith. Lender and Borrower intend that the assignments contained in this paragraph to be absolute, unconditional and presently effective.

Lessees shall pay the Rents to Lender upon demand without further inquiry, and payment to Lender shall be a full defense by any such Lessee to any claim for such Rents by Borrower, regardless of any defenses or counterclaims Borrower may have against Lender. Until such demand is made, each Lessee may pay rents directly to Borrower, who is authorized to collect the Rents, provided, however, Borrower shall not collect Rents for more than one month in

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advance, except for customary deposits as security for the performance of the obligations of the Lessees thereunder (including payment of the last month's rent for such purpose), but after demand, Borrower covenants to hold all Rents so paid in trust for the use and benefit of Lender. The term "Leases" shall mean and refer to all subleases of all or any portion of the Premises and any license, concession or other agreement with respect to the use, occupancy or utilization of all or any portion of the Premises. Notwithstanding any provision contained herein to the contrary, except as required by law, it shall never be necessary for Lender to institute legal proceedings of any kind whatsoever to enforce the provisions of this Assignment. All capitalized terms used herein which are not specifically defined herein shall have the meanings assigned to them in the Mortgage.

1. Upon the occurrence of an Event of Default under the terms and conditions of this Assignment, this Assignment shall constitute a direction and full authority to each Lessee under any Lease and each guarantor of any Lease to pay all Rents to Lender without proof of the default relied upon. Borrower hereby irrevocably authorizes each Lessee and guarantor to rely upon and comply with any notice or demand by Lender for the payment to Lender of any Rents due or to become due.

2. Borrower agrees with Lender as follows:

(a) If the Lease provides for a security deposit paid by the Lessee to Borrower, this Assignment transfers to the Lender all of Borrower's right, title and interest in and to the security deposit to the extent permitted by law; provided that Borrower shall have the right to retain said security deposit so long as no Event of Default has occurred under this Assignment or the Mortgage; provided further that Lender shall have no obligation to the Lessee with respect to such security deposit unless and until Lender comes into actual possession and control of said deposit.

(b) Each Lease shall remain in full force and effect despite any merger of the interest of Borrower and any Lessee thereunder. Borrower shall not transfer or convey fee title to the leased premises to any Lessee without the prior written consent of Lender except upon a permissible Transfer of the Property. In no event shall any such transfer or conveyance operate to release or relieve Borrower of any liability to Lender unless Lender specifically agrees otherwise in writing.

(c) Borrower shall not terminate any Lease (except pursuant to the terms of the Lease upon a default by the Lessee), or modify or amend any Lease or any of the terms thereof except in accordance with the Leasing Guidelines, or grant any concessions in connection therewith or accept a surrender thereof, without the prior written consent of Lender, which shall not be unreasonably withheld, delayed or conditioned.

(d) Borrower shall not collect any Rents more than 30 days in advance of the date on which they become due under the terms of any Lease.

(e) Borrower shall not discount any future accruing Rents.

(f) Borrower shall not consent to any assignment of any Lease, or any subletting thereunder, whether or not in accordance with its terms (except where such consent is required or would be unreasonable to withhold), without the prior written consent of Lender (not to be unreasonably withheld) and Borrower shall not consent to, or permit, a material alteration of, or addition to, the Property by any Lessee other than tenant improvements contemplated thereunder.

(g) Borrower shall not further assign, pledge, hypothecate, or otherwise encumber any of the Leases or Rents or any interest therein or suffer or permit any assignment, pledge, hypothecation or encumbrance of any of the Leases or Rents or any interest therein to occur by operation of law.

(h) Borrower shall not request, consent to, agree to or accept a subordination of any Lease to any other mortgage, deed of trust or other encumbrance, or any other lease, now or hereafter affecting the Property or any part thereof, or suffer or permit conversion of any Lease to a sublease without Lender's consent, as provided in Section 2(f) above.

(i) Borrower shall faithfully perform and discharge all material obligations of the lessor under the Leases and shall enforce the terms, covenants and conditions to be performed by all Lessees under, and other parties to, the Leases in accordance with prudent commercial business practices. Borrower shall give prompt written notice to Lender of any notice of Borrower's default received from any Lessee or any other person and furnish Lender with a complete copy of said notice. Borrower shall appear in and defend, at no cost to Lender, any action or proceeding arising under, or in any manner connected with, any Lease.

(j) Each new Lease entered into by Borrower shall be deemed included in this Assignment as though originally listed herein. At Lender's option, a memorandum of each Lease shall be recorded in the official records of the county in which the Property is located, which memorandum shall refer to this Assignment and the Lender's rights hereunder. Borrower agrees to pay all reasonable costs incurred in connection with the preparation, execution and recording of such memorandum.

(k) Intentionally deleted.

(l) Borrower shall endeavor to obtain and deliver to Lender, promptly upon request, duly executed estoppel certificates from any one or more Lessees as required by Lender attesting to such facts regarding the Lease as Lender may require, including but not limited to attestations that each Lease covered thereby is in full force and effect with no defaults thereunder on the part of any party, that no rental has been paid more than one month in advance, and that, except as specified in such certificates, the Lessee claims no defense or offset against the full and timely performance of its obligations under the Lease.

(m) Nothing herein shall be construed to impose any liability or obligation on Lender under or with respect to any Lease. Borrower shall indemnify and hold Lender harmless from and against any and all liabilities, losses and damages which Lender may incur under any

Lease or by reason of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations to be performed or discharged by Lender under any Lease or this Assignment. Should Lender incur any liability, loss or damage under any Lease or under or by reason of this Assignment, Borrower shall immediately upon demand reimburse Lender for the amount thereof together with all costs and expenses and reasonable attorneys' fees incurred by Lender. All of the foregoing sums shall bear interest until paid at the Default Rate (as said term is defined in the Note). Any Rents collected by Lender may be applied by Lender, in its discretion, in satisfaction of any such liability, loss, damage, claim, demand, cost, expense or fees.

(n) Within 30 days of the close of each calendar year and from time to time (but not more frequently than quarterly unless in the reasonable judgment of the Lender greater frequency is appropriate), on reasonable notice from the Lender, the Borrower shall deliver to the Lender a schedule of all Leases then in effect, which schedule shall be certified by the Borrower and shall include the following: (a) the name of each Lessee; (b) the number of square feet of space demised each Lessee's Lease; (c) the monthly and annual Rents, including base rent, additional rent, percentage rent, escalations, pass-through charges and any other kind of rent, under each Lease; (d) the term of each Lease, including any extension and/or purchase options; (e) the security deposit held under each Lease; (f) prepayments of Rents made by the Lessee under each Lease; (g) current and/or past defaults by the Lessee under each Lease; (h) assignments and/or sublettings of the Lessee's interest under each Lease; (i) the concessions to which the Lessee is entitled under each Lease and (j) such other information as the Lender may reasonably request. If requested by the Lender, the Borrower shall also deliver photocopies of all Leases accompanied by a certificate of the Borrower that such copies are true, complete and accurate. The Borrower shall promptly provide the Lender with advance notice of any new Lease or material amendment, extension or supplement to an existing Lease it proposes to enter into and, if such new Lease or existing Lease, as such may be amended, extended or supplemented, shall affect more than ten percent (10%) of the net rentable area of the Improvements (as determined by the Lender in its sole discretion) or provide the Borrower with more than ten percent (10%) of the base Rents derived from the Improvements, then the Borrower shall deliver, together with such notice (but only to the extent available to Borrower, and subject to all applicable confidentiality and non-disclosure agreements), financial statements (which shall be limited to balance sheets and statements of profit and loss setting forth, in comparative form, figures for the preceding year) of the Lessee with respect to such new Lease or existing Lease.

4. Borrower hereby grants to Lender the following rights:

(a) Lender shall be deemed to be the creditor of each Lessee in respect of any assignments for the benefit of creditors and any bankruptcy, arrangement, reorganization, insolvency, dissolution, receivership or other debtor-relief proceedings affecting such Lessee, without obligation on the part of Lender, however, to file timely claims in such proceedings or otherwise pursue creditor's rights therein.

(b) Lender shall have the right to assign Lender's right, title and interest in the Leases created under this Agreement to any subsequent holder of the Mortgage or any participating interest therein or to any person acquiring title to all or any part of the Property through foreclosure or otherwise. Any subsequent assignee shall have all the rights and powers herein provided to Lender.

(c) Lender shall have the right (but not the obligation), upon an Event of Default, to take any action as Lender may deem necessary or appropriate to protect its security, including but not limited to appearing in any action or proceeding and performing any obligations of the lessor under any Lease; and Borrower agrees to pay, on demand, all costs and expenses, including without limitation reasonable attorneys' fees, incurred by Lender in connection therewith, together with interest thereon at the Default Rate.

(d) Upon the occurrence of an Event of Default by Borrower under this Assignment or under the Mortgage, in addition to its rights and remedies under subsections (a)-(c) of this Section and the Mortgage and in addition to any rights and remedies available to the Lender at law or in equity, the Lender may, either in its own name or as attorney-in-fact of the Borrower, make, enforce, modify or cancel any of the Leases, subject to the applicable terms of the Leases; obtain tenants for and evict tenants from the Property; demand, fix and modify the Rents and other charges from the Property; institute all legal proceedings (including summary proceedings) for the collection of all Rents and other charges; obtain possession of the Property or any part thereof in accordance with the Mortgage, or enforce any other rights theretofore exercisable by the Borrower; relet the Property, or any portion thereof, and collect the Rents under any such new Leases; manage and operate the Property or engage a managing agent for the management and operation of the Property; and do any and all other acts which the Lender, in its sole and absolute discretion, deems proper to protect the security hereof, including, without limitation, acting under any different or additional remedies provided for herein or in the Mortgage; and, with or without taking possession of the Property, in the Borrower's own name, sue for or otherwise collect and receive all Rents and other charges, including those past due and unpaid, and apply the same, less the costs and expenses of operation and collection, including reasonable attorneys fees, to the payment of the Secured Obligations, whether then matured or not, until the same shall have been paid in full; provided, however, that any balance remaining after the Secured Obligations shall have been paid in full shall be turned over to the Borrower or such other person as may lawfully be entitled thereto. Neither the entry upon and taking possession of the Property, nor the collection and application of the Rents or other charges thereof as aforesaid, nor any other action taken by the Borrower in connection therewith, shall cure or waive any default hereunder or any Event of Default under the Mortgage or waive or modify any notice thereof or notice of acceleration of the Secured Obligations theretofore given by the Lender. Except for matters arising out of Lender's gross negligence or willful and wrongful acts or omissions, the Borrower hereby releases all claims against the Lender arising out of the management, operation and maintenance of the Property or any portion thereof except as specifically provided to the contrary in any of the other Loan Documents. In no event shall the Lender be accountable for more monies than it actually receives from the Property, or shall the Lender be liable for any failure to collect the Rents; and the right to determine the method of

collection and the extent to which enforcement of collection shall be prosecuted is reserved to the sole discretion of the Lender.

If an Event of Default under this Assignment or under the Mortgage shall have occurred, the Borrower agrees that it will facilitate in every reasonable way the collection by the Lender of the Rents as the Lender is entitled to collect pursuant to the terms of this Assignment and the Mortgage, and will, at the written request of the Lender, execute a written notice and deliver the same to each Lessee directing said Lessee to pay rent to the Lender. Additionally, notice in writing by the Lender to any Lessee under a Lease advising them that the Borrower has defaulted hereunder or an Event of Default has occurred, and requesting that all future payments of rent, additional rent or other charges under such Lease be made to the Lender (or its agent) shall be construed as conclusive authority to such Lessee that such payments are to be made to the Lender (or its agent), and such Lessee shall be fully protected in making such payments to the Lender (or its agent); and the Borrower hereby irrevocably constitutes and appoints the Lender the attorney-in-fact and agent of the Borrower, coupled with an interest, for the purpose of endorsing the consent of the Borrower on any such notice. It is understood and agreed that neither the foregoing assignment of Rents to the Lender nor the exercise by the Lender of any of its rights or remedies under this Section shall be deemed to constitute the Lender a mortgagee-in-possession or otherwise responsible or liable in any manner (other than arising from its gross negligence or wrongful acts) with respect to the Property or the use, occupancy, enjoyment or operation of all or any portion of the Property.

(e) In the exercise of the powers herein granted to the Lender, no liability shall be asserted or enforced against the Lender other than for gross negligence or willful misconduct, all such liability being hereby expressly waived and released by the Borrower. The Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Leases or under or by reason of this Assignment or the Mortgage and the Borrower shall and does agree to indemnify and hold the Lender harmless from and against any and all liability, loss or damage which it might incur under the Leases or under or by reason of this Assignment or the Mortgage and any and all claims and demands whatsoever which may be asserted against the Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Lender incur any such liability, loss or damage under the Leases, or under or by reason of this Assignment or the Mortgage, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees and disbursements, shall be secured hereby and by the Mortgage, and the Borrower shall reimburse the Lender therefor immediately upon demand. The waiver of the Lender's liability and the Borrower's indemnification of the Lender shall not apply, however, to liabilities of the Lender arising out of the Lender's actions with respect to the Leases following the taking of title to the Property and in the Borrower's interest in the Leases following foreclosure of the lien of the Mortgage or the delivery of a deed or conveyance in lieu of foreclosure.

5. This Assignment is intended to be supplementary to and not in substitution for or in derogation of any assignment of Leases or Rents contained in the Mortgage or in any other Loan Document. Failure of the Lender to avail itself of any terms, covenants or conditions of

this Assignment for any period of time or for any reason shall not constitute a waiver thereof. In the event of any inconsistency between the terms of this Assignment and the terms of the Mortgage, the terms of the Mortgage shall control.

6. Notwithstanding any future modification of the terms of the Secured Obligations or the Mortgage or any other Loan Document, this Assignment and the rights and benefits hereby assigned and granted shall continue in favor of Lender in accordance with the terms of this Assignment.

7. This Assignment shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto (including without limitation, in the case of Lender, any third parties now or hereafter acquiring any interest in the Secured Obligations or any part thereof, whether by virtue of assignment, participation or otherwise). The words "Borrower," "Lender" and "Lessee," wherever used herein, shall include the persons and entities named herein or in any Lease and designated as such and their respective heirs, legal representatives, successors and assigns, provided that any action taken by the named Lender or any successor, designated as such by an instrument recorded in the official records of the county in which the Property is located referring to this Assignment, shall be sufficient for all purposes notwithstanding that Lender may have theretofore assigned or participated any interest in the Secured Obligations to a third party. All words and phrases shall be taken to include the singular or plural number, and the masculine, feminine or neuter gender, as may fit the case.

8. Any change, amendment, modification, abridgment, cancellation, or discharge of this Assignment or any term or provision hereof shall be invalid without the written consent of Lender.

9. Upon satisfaction in full of all of the Secured Obligations, as evidenced by a recorded satisfaction or release, this Assignment shall be void and of no further effect.

10. Any notice or communication required or permitted hereunder shall be given in accordance with the notice provisions of the Mortgage.

11. This Assignment and the rights and obligations of the parties hereunder shall in all respects be governed by, and construed and enforced in accordance with, the laws of the State of Illinois. Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any State or Federal court sitting in any county in the State of Illinois over any suit, action or proceeding arising out of or relating to this Assignment.

12. Nothing contained in this Assignment and no act done or omitted by the Lender pursuant to the powers and rights granted hereunder shall be deemed to be a waiver by the Lender of any of its rights and remedies under the Mortgage and other Loan Documents. This Assignment is made and accepted without prejudice to any such rights and remedies possessed by Lender to collect the principal sum, interest and all other indebtedness or amounts secured hereby or by the Mortgage and to enforce any other security therefor held by it. Said rights and

remedies may be exercised by the Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

13. Notwithstanding anything within this Assignment to the contrary, no right bestowed upon Lender hereunder may be construed as requiring Lender to exercise such right, and the failure to exercise such right shall not constitute a waiver.

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SIGNATURE PAGE TO FOLLOWS]

Property of Cook County Clerk's Office

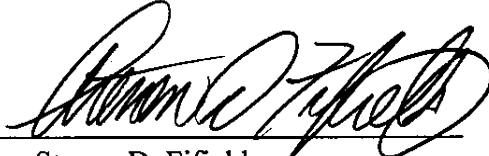
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IN WITNESS WHEREOF, the undersigned Borrower has executed this Assignment as of the day and year first above written.

BORROWER:

WASHINGTON/CLINTON LLC,, an Illinois limited liability company

By: 
Name: Steven D. Fifield
Title: Manager

PREPARED BY AND RETURN TO:
MAIL
BARRY TA. COMINI, ESQ.
KATTEN MURCHIN ZAVIS
525 W. MONROE, SUITE 1600
CHICAGO, ILL 60661-3473

Property of Cook County Clerk's Office

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EXHIBIT A

Legal Description of Property

PARCEL 1:

The North 40 feet of the South 50 feet of Lot 2 in the subdivision of Lots 1, 4, 5 and 8 (except the South 50 feet of Lot 8) in Block 46 in Original Town of Chicago, in the South part of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

Sub lots 2, 3, 4 and 5 in the subdivision of Lot 9 in Block 46 of Canal Trustee's Subdivision in the Original Town of Chicago in the South part of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 3:

The South 50 feet of Lot 8 in Block 46 in Original Town of Chicago in the South part of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 4:

The South 10 feet of Sub lot 2 in the subdivision of Lots 1, 4, 5 and 8 (except the South 50 feet of Lot 8), in Block 46 in Original Town of Chicago in the South part of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 5:

Lot 1 in the subdivision of Lot 9 in Block 46 of Canal Trustee's Subdivision in the Original Town of Chicago in the South part of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

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550 WEST WASHINGTON STREET
CHICAGO, ILL