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Cook County Recorder 35.50



This Instrument was prepared by
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COLLATERAL ASSIGNMENT OF RENTS AND LEASES

RE: LAKE COURTS, WILMETTE, ILLINOIS

This COLLATERAL ASSIGNMENT OF RENTS AND LEASES ("Assignment") is made April 7, 1999, by AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, not personally but as Trustee under a certain Trust Agreement dated June 17, 1998 and known as Trust No.124218-06 ("Assignor"), and made to PINNACLE BANK, at 1209 N. Milwaukee Avenue, Chicago, Illinois 60622 ("Assignee").

RECITALS

WHEREAS, Assignor is indebted to Assignee in the principal sum, together with other charges, expenses and interest thereon, at the rates and upon the terms provided in a certain Mortgage Note of even date herewith ("Note");

WHEREAS, Assignor and Assignee have entered into that certain Construction Loan Agreement of even date herewith ("Agreement") which requires the execution and delivery of this Assignment;

WHEREAS, Assignor, to secure the indebtedness, has executed and delivered a certain Construction Mortgage of even date herewith, creating a lien on certain real estate legally and commonly described on Exhibit "A" attached hereto and made a part hereof; including the improvements now or hereafter located thereon, including the improvements now or hereafter located thereon, all of which said real estate and improvements being hereinafter called the "Mortgaged Premises";

1ST AMERICAN TITLE Order #

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WHEREAS, Assignor is or may be the Lessor (or the assignee of Lessor) under certain oral or written Leases of all or part of the Mortgaged Premises; and,

WHEREAS, Assignee has required this Assignment as a condition to disbursement of the loan proceeds evidenced by the Note.

NOW, THEREFORE, in consideration of the above and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor hereby agrees as follows:

ARTICLE I

ASSIGNMENT

1.01 Grant of Assignment. Assignor does hereby collaterally bargain, sell, transfer, assign, convey, set over and deliver unto Assignee, as partial security for the payment of the Loan, the Mortgage, the Agreement, the other Loan Documents (as that term is defined in the Agreement) and any and all amendments, extensions, and renewals thereof, all Leases affecting the Mortgaged Premises, or any part thereof, now existing or which may be executed at any time in the future during the life of this Assignment and all amendments, extensions, and renewals of said Leases and any of them, all of which are hereinafter called the "Leases" and all rents and other income which may now or hereafter be or become due or owing under the Leases and any of them or on account of the use of Mortgaged Premises, it being intended hereby to establish a collateral transfer of all Leases hereby assigned and all the rents and other income arising thereunder and on account of the use of the Mortgaged Premises unto Assignee, with the right but without the obligation, upon the occurrence of an Event of Default under the aforesaid Mortgage or Note, to collect all of said rents and other income which may become due during the life of this Assignment.

1.02 Deposit of Leases. Assignor agrees to deposit with Assignee upon demand such Leases as may from time to time be designated by Assignee.

1.03 Consent. Except as provided in paragraph 4.01, from and after the date of the Assignment, and except as otherwise specifically provided herein, Assignor shall not cause or permit any Lease covering or affecting the Mortgaged Premises, or any part thereof, to be executed, modified or terminated without first obtaining the prior written consent of Assignee, the latter having sole and complete authority to review and approve the form and content of such Lease, including the tenant thereunder. Assignor shall cause all the tenants under each Lease to execute and deliver to Assignee a Subordination, Attornment and Non-Disturbance Agreement in form and content acceptable to Assignee.

ARTICLE II

APPOINTMENT OF AUTHORITY

2.01 Authority of Assignee to Receive Rent. Subject to and in accordance with the terms of the Mortgage and this Assignment, Assignor hereby appoints Assignee, for purposes of collecting rents only, the true and lawful attorney of Assignor with full power of substitution and with power in its name place, and stead, to demand, collect, receipt and give complete acquittance for any and all rents and other amounts herein assigned, which may be or become due and payable by the Lessees and other occupants of the Mortgaged Premises, and at its direction to file any claim or take any other action or proceeding and make any settlement of any claims, either in its own name or in the name of Assignor or otherwise, which Assignee may deem necessary or desirable in order to collect and endorse the payment of any and all rents and other amounts herein assigned.

2.02 Authority of Lessees to Pay Rent. Upon the occurrence of an Event of Default under the aforesaid Mortgage, Agreement or Note, the Lessees of the Mortgaged Premises, or any part thereof, are hereby expressly authorized and directed to pay all rents and other amounts herein assigned to Assignee or such nominee as Assignee may designate in writing delivered to and received by such Lessees who are expressly relieved of any and all duty, liability, or obligation to Assignor in respect to all payments so made.

2.03 Authority of Assignee to Collect Rent. Assignee is hereby vested with full power to use all measures, legal and equitable, deemed by it necessary or proper to enforce this Assignment and to collect the rents assigned hereunder, including the right to enter upon the Mortgaged Premises, or any part thereof, and take possession thereof forthwith to the extent necessary to affect cure of any default on the part of Assignor as Lessor in any of the Leases; and Assignor hereby grants full power and authority to Assignee to exercise all rights, privileges, and powers herein granted, subject to the terms of the Mortgage and this Assignment at any and all times hereafter, without notice to Assignor, with full power to use and apply all the rents and other income herein assigned to the payment of the costs of managing and operating the Mortgaged Premises and of any indebtedness or liability of Assignor to Assignee, including, but not limited to, the payment of taxes, special assessments, insurance premiums, damage claims, the costs of maintaining, repairing, rebuilding and restoring the improvements on the Mortgaged Premises, or of making same rentable, reasonable attorneys' fees incurred in connection with the enforcement of this Assignment, and of principal and interest payments due from Assignor to Assignee on said Note and the Mortgage, all in such order as Assignee may determine.

2.04 No Obligations of Assignee. Assignee shall be under no obligation to press any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of the Lessor under any of the Leases and does not assume any of the liabilities in connection with or arising, or growing out of the covenants and agreements of Assignor in the Leases; and Assignor covenants and agrees that it will faithfully perform all of the obligations imposed under any and all of the Leases and hereby agrees to indemnify Assignee and to hold it harmless from any liability,

loss or damage, including the payment of expenses and reasonable attorneys' fees, which may or might be incurred by it under said Leases or by reason of this Assignment, and from any and all claims and demands whatsoever, which may be asserted against Assignee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Leases.

2.05 Non-Liability of Assignee. It is further understood that this Assignment shall not operate to place responsibility for the control, care, management or repair of the Mortgaged Premises, or parts thereof, upon Assignee, nor shall it operate to make Assignee liable for the carrying out of any of the terms and conditions of any of the Leases, or for any waste of the Mortgaged Premises by the Lessee under any of the Leases or any other party, or for any dangerous or defective condition of the Mortgaged Premises, or for any negligence (other than the negligence of Assignee and its agents) in the management, upkeep, repair, or control of said Mortgaged Premises resulting in the loss or injury or death to any Lessee, licensee, employee or stranger.

ARTICLE III

MONIES COLLECTED

3.01 Prior to Default. Prior to occurrence of an Event of Default under the Note or the aforesaid Mortgage, any amounts collected hereunder by Assignee which are in excess of those collected to pay in full the aforesaid liabilities and indebtedness at the time due shall be promptly paid to Assignor.

3.02 Subsequent to Default. Subsequent to occurrence of an Event of Default under the Note, the Agreement or the aforesaid Mortgage, any amounts collected hereunder by Assignee which are in excess of those applied to pay in full the aforesaid liabilities and indebtedness at the time due shall be retained by Assignee in escrow and subsequently applied as set forth in the Mortgage. Assignee shall not be obligated to pay interest or earnings of any kind on funds deposited in escrow with it pursuant to the provisions of this paragraph.

ARTICLE IV

MISCELLANEOUS

4.01 Non-Modification by Assignor. Except for extensions in the terms of the Lease or Leases in effect from time to time, and except for increases in the rental required to be paid by the Lessee or Lessees thereunder and except to the extent of modifications, amendments, concessions, etc., necessary in the ordinary course of business, Assignor covenants not to alter, modify, amend, or change the material terms of the Leases or give any consent or permission or exercise any option required or permitted by the terms thereof or intentionally waive any obligation required to be performed by a Lessee without the prior written consent of Assignee, or cancel or terminate any such

Lease, or accept a surrender thereof, except in accordance with Lease terms, and Assignor will not make any further transfers or assignment thereof, or convey or transfer, or suffer a conveyance or transfer of the Mortgaged Premises, or of any interest therein (except as may be permitted under the provisions of the Mortgage) so as to effect directly or indirectly, a merger of the estates and right of termination or diminution of the obligation of any Lessee thereunder; provided, however, Assignor shall notify and advise Assignee in advance concerning any of the foregoing events. Assignor further covenants to promptly deliver to Assignee, upon written request therefor, copies of any and all demands, claims and notices of default received by it from any Lessee under any Lease assigned herein.

4.02 Continuous Assignment Until Payment in Full. Upon payment in full of the principal, interest and all other sums under the Note and pursuant to the Agreement, this Assignment shall be and become null and void. Otherwise, this Assignment shall remain in full force and effect as herein provided and with the covenants, warranties and power of attorney herein contained, shall inure to the benefit of Assignee and any subsequent holder of said Note, and shall be binding upon Assignor, and its heirs, legal representatives, successors and assigns and any subsequent owner of the Mortgaged Premises.

4.03 Assignor's Right to Collect. Notwithstanding any provision herein to the contrary, prior to the occurrence of an Event of Default under the Note, the Agreement or the aforesaid Mortgage, Assignor shall have the license and right to collect as the same become due and payable, but in any event for not more than one calendar month in advance, all rents and other income arising under the Leases and from the Mortgaged Premises and to enforce all provisions contained in the Leases. Assignor shall render such accounts of collections as Assignee may require. The license herein given to Assignor shall terminate immediately upon the occurrence of an Event of Default under the Note, the aforesaid Mortgage, the Agreement or this Assignment, and upon written notice of such Event of Default at any time hereafter given by Assignee to any Lessee by mailing same by United States registered mail, postage prepaid, and addressed to the Lessee named in the Lease, all rentals thereafter payable and all agreements and covenants thereafter to be performed by the Lessee shall be paid and performed by the Lessee directly to Assignee in the same manner as if the above license had not been given, without prosecution of any legal or equitable remedies under the Mortgage. Any Lessee of the Mortgaged Premises, or any part thereof, is authorized and directed to pay to Assignor any rent herein assigned currently for not more than one calendar month in advance, and any payment so made prior to receipt of such Lessee of notice of Assignor's default shall constitute a full acquittance to Lessee therefor. Any Lessee of the Mortgaged Premises, or any part thereof, is authorized (for so long as no Event of Default exists under the Note, the aforesaid Mortgage, the Agreement or this Assignment) and directed to pay Assignor the security deposit set forth in its Leases and monthly payments for real estate taxes, insurance, and common area charges called for in its Lease, and any payment made prior to receipt by such Lessee of notice of Assignor's default shall constitute a full acquittance to Lessee therefor.

4.04 Inurement of Benefit. This instrument is being executed and delivered concurrently with the Note and the aforesaid Mortgage and Agreement to which it refers and shall be binding

upon and all rights, privileges and prerogatives given herein shall inure to the benefit of the Assignor, the Assignee, the Lessees, and their respective heirs, executors, administrators, successors and assigns.

4.05 Trustee Exculpation. If the party executing this Assignment is a Trustee then this Assignment and each other instrument related hereto and so executed is executed by the Trustee, 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 and the other Loan Documents shall be construed as creating any Liability on such Trustee personally to perform any express or implied covenant, condition or obligation under this Assignment and the other Loan Documents, all such liability, if any, being expressly waived by every person or entity now or hereafter claiming any right, title or interest under this Assignment or the other Loan Documents.

IN WITNESS WHEREOF, Assignor has caused these presents to be executed and effective as of the date first above written.

ASSIGNOR:

AMERICAN NATIONAL BANK & TRUST COMPANY OF CHICAGO, not individually but as Trustee under Trust Agreement dated June 17, 1998 and known as Trust No. 124218-06

By: [Signature]

Print Name: Anthony DiMonte

Attestation not required by American National Bank and Trust Company of Chicago Bylaws
Attest: _____

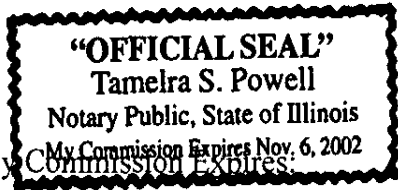
Its: _____

Title: Authorized Officer

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, ~~TAMELRA S. POWELL~~, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that Anthony A. DiMonte ~~Trust Officer~~ President and _____ Secretary of AMERICAN NATIONAL BANK & TRUST OF CHICAGO, an Illinois banking corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers, 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 corporation, for the uses and purposes therein set forth; and the said _____ secretary then and there acknowledged that he/she, as custodian of the corporate seal of said corporation, did affix the corporate seal of said corporation to said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6 day of April, 1999.



Tamelra S. Powell
Notary Public

EXHIBIT A

TO
COLLATERAL ASSIGNMENT OF RENTS AND LEASE(S)

LEGAL DESCRIPTION OF MORTGAGED PREMISES -- CONSTRUCTION MORTGAGE

LOTS 1 AND 2 IN GOLBACH'S ADDITION TO GROSS POINT IN THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 33, TOWNSHIP 42 NORTH, RANGE, 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 18, 1922 IN BOOK 173 OF PLATS PAGE 25 AS DOCUMENT NUMBER 7615477, IN COOK COUNTY, ILLINOIS.

Commonly known as: 1919 Lake Avenue, Wilmette, IL

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