

Prepared By:
Rock, Fusco & Garvey, Ltd.
350 North LaSalle Street -
Suite 900
Chicago, Illinois 60610



00679451

Mail to:
LIBERTY FEDERAL BANK
One Grant Square
Hinsdale, Illinois 60521

3 of 4

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EC8341444

ASSIGNMENT OF PLANS, SPECIFICATIONS,
CONSTRUCTION AND SERVICE CONTRACTS

THIS ASSIGNMENT OF PLANS, SPECIFICATIONS, CONSTRUCTION AND SERVICE CONTRACTS (the "Assignment") is entered into as of the 11th day of August, 2000 by 1749 ROSCOE LLC, an Illinois Limited Liability Company (hereinafter referred to as the "Debtor") for the benefit of LIBERTY FEDERAL BANK (hereinafter referred to as "Secured Party").

RECITALS:

A. Concurrently herewith Secured Party has agreed to make a construction loan for the benefit of Debtor in the amount of ONE MILLION ONE HUNDRED FOUR THOUSAND AND NO/100THS DOLLARS (\$1,104,000.00). The Note is secured by, among other documents, a Mortgage and Security Agreement (the "Mortgage") made by the Debtor covering the real estate located in Cook County, Illinois and legally described in Exhibit A attach hereto and made a part hereof (the "Property") (the foregoing documents and all other documents evidencing or securing the Loan are collectively hereinafter referred to the "Loan Documents").

B. Secured Party requires as a condition precedent to its making of the Loan that Debtor enter into this Assignment and Debtor wishes to grant to Secured Party security interest, mortgage, lien, encumbrance and charge upon the collateral more particularly described hereinafter.

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NOW THEREFORE, in consideration of the making of the Loan and as inducement to Secured Party to do so, and for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, Debtor and Secured Party agree to as follows:

1. Creation of Security Interest. Debtor does hereby sell, assign, pledge, transfer and grant a security interest to Secured Party in any and all of any Debtor's right, title and interest in and to all construction contracts subcontracts, architectural agreements, brokerage contracts, demolition contracts, engineering contracts, service contracts, maintenance contracts, construction and other governmental consents, permits and licenses, surveys, plans, specifications, warranties and guarantees, and all amendments, modifications, supplements, and addenda thereto which Debtor has, may have, or may subsequently directly or indirectly enter into, obtain or acquire in connection with the improvement, ownership, operation and maintenance of the Property and the improvements to be constructed thereon, including but not limited to that certain Standard Form of Agreement between Debtor, as Owner, and _____ (the "Contractor") ("Contractor Agreement") dated on or about _____, 2000 for the property located at 1419 W. Roscoe, Chicago, Illinois and any or all amendments or modification to the Contractor Agreement (all of the foregoing being collectively referred to herein as the "Collateral").

2. Debtor's Liabilities. This Assignment is made and given as collateral security for the prompt payment when due of any and all obligations of Debtor to Secured Party, including without limitation, the indebtedness and liabilities evidenced by the Note, the Mortgage, and all other Loan Documents, whether such indebtedness or obligations are now existing or hereafter created, direct or indirect, absolute contingent, joint or several, due or to become due, howsoever created, evidenced or arising and howsoever acquired by Secured Party, and any and all renewals extensions thereof (all of the foregoing hereinafter referred to as the "Liabilities"). Upon full payment by Debtor of all Liabilities, this Assignment and the lien or charge created hereby or resulting therefrom shall automatically cease to exist.

3. Representations and Covenants of Debtor.

(a) Debtor will not sell transfer, assign, pledge, encumber or mortgage all or any portion of the Collateral or any interest therein, without the prior written consent of Secured Party, or permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Assignment.

(b) Debtor will sign and execute alone or with Secured Party financing statements or other document or

procure any documents and pay any connected costs, expenses and fees, including reasonable attorneys' fees, necessary to perfect and protect the security interest under this Assignment against the rights, interests or claims of third parties.

- (c) Debtor will reimburse Secured Party for all costs, expenses and fees, including reasonable attorneys' fees, incurred for any action taken by Secured Party to remedy a default of Debtor under this Assignment, including without limitation, expenses incurred pursuant to Paragraphs 6(iii) and 6 (iv) below, together with interest on all said amounts at an annual rate equal to the Default Rate in effect under the Note from and after the date so incurred by Secured Party.
- (d) Debtor will punctually and promptly perform its covenants, agreements and conditions required to be performed under this Assignment, the Note, the Mortgage, all of the documents, instruments and agreement constituting the Collateral and any other Loan Documents.
- (e) Debtor represents and warrants that it is the sole owner of all right, title and interest of the owner under all of the documents, instruments and agreements constituting the Collateral, and agrees that so long as any of the Liabilities remain unpaid, Debtor shall remain liable for all costs, fees and expenses which may be or become due and payable under the Collateral and for all responsibilities of the ownership of the Property.
- (f) Debtor agrees to take reasonable efforts to enforce performance by the other party to each agreement or contract constituting the Collateral of each and every obligation, covenant, condition and agreement to be performed by such other party.
- (g) Debtor has not performed any act which might prevent Debtor from performing its obligations hereunder or which might prevent Secured Party from enforcing its rights pursuant to the terms and provisions hereof.

4. Limitation of Secured Party's Liability. Notwithstanding anything to the contrary contained in any of the Collateral, the interest of Debtor therein is assigned and transferred to Secured Party by way of collateral security only; the Secured Party by its acceptance hereof shall not be deemed to have assumed or become

liable for any of the obligations or liabilities of any Debtor under the Collateral, whether provided for by the terms hereof, arising by operation of law or otherwise. Debtor hereby acknowledges that Debtor shall remain liable for the due performance of Debtor's obligations under the agreements, instruments and documents constituting the Collateral 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 all other Loan Documents are made and entered into for the sole protection and benefit of Secured Party and Debtor, and their respective successors and assigns (but in the case of assigns of Debtor, 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; that the proceeds of the Loan do not constitute a trust fund for the benefit of any third party; 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 Secured Party and Debtor 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.

5. Events of Default Any of the following shall constitute an "Event of Default" for purposes of this Assignment:

- (a) Failure by Debtor to pay when due any installment of principal or interest payable pursuant to either of the Note, the Mortgage, this Assignment or any other Loan Documents, after the expiration of any applicable cure or grace periods.
- (b) Any inaccuracy or untruth in any material respect in any representation, covenant or warranty contained in this Assignment or any of the Loan Documents, or any statement or certificate as to facts delivered to Secured Party.
- (c) Failure by Debtor to promptly perform or cause to be performed any other condition, covenant, term, agreement or provision required to be performed or observed by Debtor under this Assignment, the Note, the Mortgage, or any other Loan Document; provided, however, that unless and until the continued operation or safety of the Property, or the priority, validity or enforceability of any security for the Loan or the value of the Collateral is immediately threatened or jeopardized, Debtor shall have a period not to exceed thirty (30) days after written notice of any such failure of performance to cure the same.

- (d) The occurrence or continuation of an Event of Default under the Note, the Construction Loan Agreement, the Mortgage or any other Loan Document after the expiration of any applicable cure period.

6. Remedies. Upon the occurrence of any Event of Default after any applicable grace period allowed hereunder, Secured Party shall without any further notice or any demand to Debtor: (i) be entitled to declare all indebtedness secured thereby and by the other Loan Documents to be immediately due and payable; (ii) exercise any and all rights and remedies provided hereunder or under the Loan Documents, as well as all remedies available at law and in equity; (iii) cure any Event of Default in such manner and to such extent as Secured Party may deem necessary to protect the security hereof, including without limitation, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or property of Secured Party, and also the right to perform and discharge each and every obligation, covenant and agreement of Debtor under any of the documents, instruments, agreements, and contracts constituting the Collateral, and in connection therewith, to pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees and expenses; (iv) either in person or by agent, with or without bringing any action or proceedings, or by a receiver to be appointed by a court at any time hereafter, enforce performance of the covenants and agreements of the purchasers under any of the documents, instruments, agreements and contracts constituting the Collateral, in the name of Debtor or otherwise, including covenants and agreements relating to the payment of the purchase prices thereunder, provided that Secured Party shall not be responsible for the performance of any of the covenants and agreements of the sellers or purchaser under said documents, instruments, contracts or agreements, nor for the collection of any amounts due and owing thereunder.

7. Waiver and Indemnity. Debtor hereby agrees that no liability shall be asserted or enforced against Secured Party in its exercise of the powers and rights herein granted, all such liability being hereby expressly waived and released by Debtor. Debtor hereby agrees to indemnify, defend and hold Secured Party harmless from and against any and all liability, expense, cost or damage which Secured Party may incur by reason of any act or omission of Debtor under any of the documents, instruments, contracts or agreement constituting the Collateral.

8. Notices. All notices and demands which are required or permitted to be given or served hereunder shall be deemed sufficiently served when delivered or mailed in the manner and to the persons described in the Mortgage.

9. Miscellaneous. This Assignment and all rights and liabilities hereunder and in and to any and all Collateral shall inure to the benefit of Secured Party and its successors and assigns, and shall be binding upon Debtor and its respective successors and assigns. This Assignment and all rights and obligations hereunder, including matters of construction, validity and performance, shall be governed by the laws of the State of Illinois. All provisions of this Assignment shall be deemed valid and enforceable to the extent permitted by law. Any provision or provisions of this Assignment which are held unenforceable, invalid or contrary to law by a court of competent jurisdiction, shall be of no force or effect, and in such event each and all of the remaining provisions of this Assignment shall subsist and remain and be fully effective according to the terms of this Assignment as though such invalid, unenforceable or unlawful provision or provisions had not been included in this Assignment.

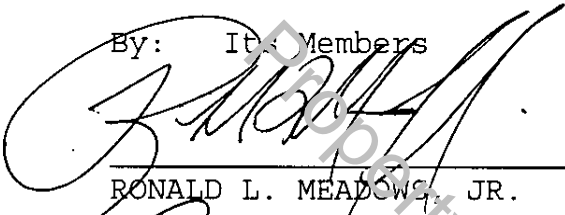
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IN WITNESS WHEREOF, Debtor has caused this Assignment to be executed as of the date first above written.

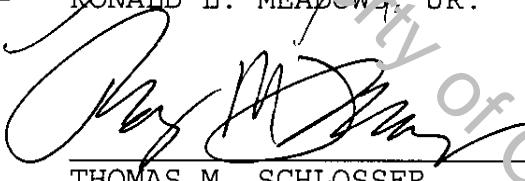
ASSIGNORS:

1749 ROSCOE LLC,
an Illinois limited liability
company

By: Its Members



RONALD L. MEADOWS, JR.



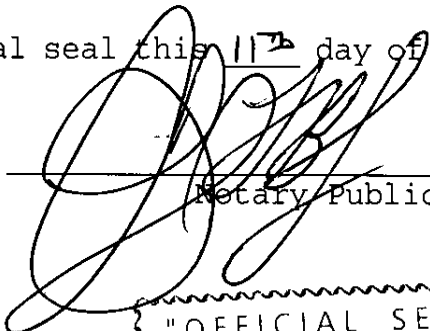
THOMAS M. SCHLOSSER

Property of Cook County Clerk's Office

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Cheryl L. Brady, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that RONALD L. MEADOWS, JR., as a Member of 1749 ROSCOE LLC, an Illinois Limited Liability Company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such person appeared before me this day in person and he signed and delivered the said instrument as his own free and voluntary act in his capacity as a Member of 1749 ROSCOE LLC, for the uses and purposes therein set forth.

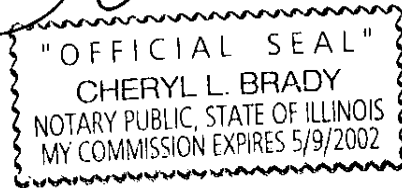
GIVEN under my hand and notarial seal this 17th day of August, 2000.



Notary Public

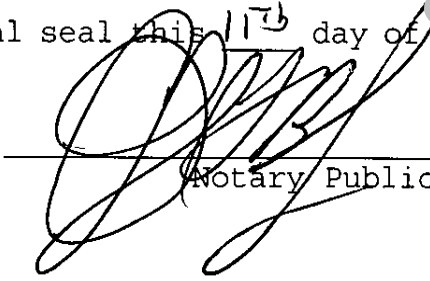
My Commission Expires:

5/9/2002
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)



I, Cheryl L. Brady, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that THOMAS M. SCHLOSSER, as a Member of 1749 ROSCOE LLC, an Illinois Limited Liability Company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such person appeared before me this day in person and he signed and delivered the said instrument as his own free and voluntary act in his capacity as a Member of 1749 ROSCOE LLC, for the uses and purposes therein set forth.

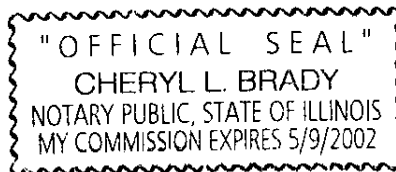
GIVEN under my hand and notarial seal this 17th day of August, 2000.



Notary Public

My Commission Expires:

5/9/2002



UNOFFICIAL COPY

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EXHIBIT A

LEGAL DESCRIPTION

LOT 29 AND THE EAST ½ OF LOT 28 IN BLOCK 4 IN GROSS NORTH ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTHWEST 1/4 OF THE EAST ½ OF THE SOUTH EAST 1/4 OF SECTION 19, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1749 W. ROSCOE, CHICAGO, ILLINOIS 60657

P.I.N. 14-19-422-004-0000

This Document was prepared by:
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