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This Instrument Was Prepared By
And When Recorded Please Return To:

Michael J. Wolfe
HEROUX, CLINGEN, CALLOW, WOLFE & McLEAN
2100 Manchester Road, Suite 1750
Wheaton, Illinois 60187

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2000-12-05 14:47:27
Cook County Recorder 71.00



ASSIGNMENT OF RENTS AND OF LESSOR'S INTEREST IN LEASES

This ASSIGNMENT OF RENTS AND OF LESSOR'S INTEREST IN LEASES (this "Assignment") is made November 29, 2000 by CARPE DIEM PROPERTIES, INC., an Illinois corporation (the "Assignor").

WITNESSETH:

WHEREAS, the Assignor is the owner in fee simple of the real estate together with the improvements thereon commonly known as and legally described in Exhibit A attached hereto and made a part hereof (the "Premises").

WHEREAS, the Assignor has executed and delivered to ROYAL AMERICAN BANK, having its principal office at 1604 Colonial Parkway, Inverness, Illinois 60067, its successors and/or assigns (the "Assignee") a Mortgage Note of even date herewith in the principal amount of Eight Hundred Fifty Thousand and 00/100 Dollars (\$850,000.00) (the "Note").

WHEREAS, the Note is secured by a certain Mortgage and Security Agreement of even date herewith made by the Assignor (the "Mortgage") which is a first lien on the Premises and by certain other agreements executed by the Assignor and others evidencing, securing and otherwise relating to the Note (collectively, the said other agreements are referred to hereinafter as the "Loan Documents").

WHEREAS, the Assignee requires that the Assignor, as a condition precedent to the disbursement of the proceeds of the loan evidenced by the Note, execute and deliver this Agreement.

NOW, THEREFORE to secure (i) the payment when and as due and payable of the principal sum of and interest on the Note and any extensions, renewals or modifications thereof and substitutes therefor, (ii) the payment of all other indebtedness which the Mortgage secures pursuant to its terms or which is or may become due and payable under the terms of the Note and (iii) the performance and observance of the covenants and agreements contained in and the payment of all obligations of the Assignor under this Assignment, the Note, the Mortgage and the other Loan Documents (all such indebtedness, obligations, agreements and liabilities identified in the foregoing clauses (i), (ii) and (iii) being hereinafter referred to as the "Indebtedness Secured Hereby" or the "Secured Indebtedness"), the Assignor does hereby sell, assign, transfer, convey, warrant, set over and grant unto the Assignee all of the Assignor's right, title and interest in and to the rents, issues and profit of the Premises, including but not

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limited to, all of the Assignor's right, title and interest in any lease, whether written or verbal, or any letting of, or of any agreement for the use, sale, or occupancy of the Premises or any part thereof, which may have been heretofore or may be hereafter made or agreed to by the Assignor, together with any and all deposits and profits now due and/or which may become due thereunder by virtue thereof and any and all extension(s) and renewal(s) thereof and the benefit of any guarantee(s) executed in connection therewith, it being the intention hereby to establish an absolute transfer and assignment of all the said lease(s) and agreement(s) and security deposit(s), and all the avails thereof, to the Assignee (collectively the lease(s) and agreement(s) described in the foregoing clauses are referred to hereinafter as the "Leases"), all on the following terms and conditions:

1. Payment of the Secured Indebtedness. The Assignor is assigning the Leases to secure the prompt payment when and as due and payable of the Indebtedness Secured Hereby.

2. Powers of the Assignee.

a. The Assignor does hereby appoint irrevocably the Assignee as its true and lawful attorney with full power of substitution and with full power for the Assignee, in its own name and stead (with or without taking possession of the Premises), to rent, lease, let or sell all or any portion of the Premises to any party, to collect all of the avails, rents, issues, deposits and profits now due or that may hereafter become due arising from or accruing under each and all of the Leases or any other tenancy existing or which may hereafter exist on the Premises, and to file any claim or take any other action or proceeding and make any settlement of any claims in its own name or otherwise which the Assignee may deem necessary or desirable in order to collect and enforce the payment of said avails, rents, issues, deposits and profits with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as the Assignee would have upon taking possession of the Premises pursuant to the provisions hereinafter set forth.

b. Upon issuance of a deed or deeds pursuant to a foreclosure of the Mortgage, all right, title and interest of the Assignor in and to the Leases shall, by virtue of this Assignment, thereupon vest and then become the absolute property of the grantee or grantees in such deed or deeds without any further act or assignment by the Assignor. The Assignor hereby irrevocably appoints the Assignee and its successors and assigns as its agent and attorney in fact to execute all instruments of assignment for further assurance in favor of such grantee or grantees and such deed or deeds, as may be necessary or desirable for that purpose.

c. In the event any tenant under any of the Leases should be the subject of any proceeding under the Federal Bankruptcy Code, as amended from time to time, or any other federal, state or local statute which provides for the possible termination or rejection of such tenant's Lease, the Assignor covenants and agrees that if any of the Leases is so terminated or rejected, no settlement for damages shall be made without the prior written consent of the Assignee and any check in payment of damages for termination or rejection of any such Lease will be made payable both to the Assignor and the Assignee. The Assignor hereby assigns any such payment to the Assignee and further covenants and agrees that upon the request of the Assignee, it will duly endorse to the order of the Assignee any such check, the proceeds of which will be applied to whatever portion of the Indebtedness Secured Hereby the Assignee may elect.

3. Representations and Warranties. The Assignor represents and warrants that: (i) the Assignor is the sole owner of the entire landlord interest in each of the Leases, (ii) each of the Leases is legal, valid and enforceable, is in full force and effect and has not been altered, modified or amended in any manner whatsoever, (iii) each of the tenants respectively named in each of the Leases is not in default under any of the terms, covenants or conditions thereof, and, with respect to each of the Leases, no state of facts exist which, with the giving of notice or lapse of

time or both, would constitute a default thereunder, (iv) no rent reserved in any of the Leases has been assigned or anticipated and the Assignor has not made any prior assignment, pledge or hypothecation of its interest in any of the Leases and (v) no such rent for any period subsequent to the date of this Assignment has been paid or collected more than thirty (30) days in advance of the time when the same became due under the terms of each of the Leases.

4. Covenants.

a. The Assignor covenants and agrees with the Assignee that it shall, without cost, liability or expense to the Assignee: (i) at all times promptly and faithfully abide by, discharge and perform each and every covenant, condition and agreement in each of the Leases, on the part of the landlord thereunder to be kept and performed, (ii) enforce or secure the performance of all of the covenants, conditions and agreements of each of the Leases on the part of each of the tenants thereunder to be kept and performed, (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with any of the Leases or the obligations, duties or liabilities of landlord or of any of the tenants thereunder, and pay all costs and expenses of the Assignee, including attorneys' fees in any such action or proceeding in which the Assignee may appear, (iv) transfer and assign to the Assignee upon request of the Assignee, any Leases of all or any part of the Premises heretofore or hereafter entered into, and make, execute and deliver to the Assignee upon demand, any instruments required to effect such assignment, (v) furnish to the Assignee, upon request, a written statement containing the name of each and every tenant under each and every Lease and the terms of each and every Lease, including the spaces occupied, the rental payable and the security deposits, if any, paid thereunder, (vi) exercise within five (5) days of any demand thereof by the Assignee any right to request from a tenant under any of the Leases a certificate with respect to the status thereof, (vii) furnish the Assignee immediately with copies of any notices of default which the Assignor may at any time forward to any tenant of the Premises, or any portion thereof, (viii) pay immediately upon demand all sums expended by the Assignee under authority hereof, together with interest thereon at the Default Interest Rate provided in the Note and (ix) furnish insurance in accordance with the provisions of the Mortgage.

b. The Assignor covenants and agrees with the Assignee that it shall not: (i) modify, extend, terminate, cancel or otherwise alter the terms of any of the Leases or any of the guarantees of the Leases, (ii) from and after the date hereof execute any lease of all or any portion of the Premises, without first obtaining the Assignee's written consent, which consent may be withheld in the Assignee's sole discretion, (iii) in any manner impair the value of the Premises, (iv) permit any of the Leases to become subordinate to any lien other than a lien created by this Assignment, the Mortgage and the Loan Documents, (v) execute an assignment, hypothecation or pledge of any rents of the Premises or of any of the Leases of all or any part of the Premises, except as security for the Indebtedness Secured Hereby, and (vi) accept any prepayment of any installment of rent under any of the Leases or permit or consent to any assignment, subletting or other transfer, whether absolutely or for collateral purposes, of any of the Leases or all or any portion of the Premises demised thereunder by any tenant under any of the Leases.

5. Event of Default. It shall constitute an Event of Default under this Assignment when and (i) if any Event of Default occurs under the Mortgage, the Note or any other Loan Document, (ii) if any default occurs in the due and punctual performance of or compliance with any term, covenant or condition in this Assignment, or (iii) if any of the representations or warranties of the Assignor made herein shall prove to be false in any material respect when made.

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6. Assignee's Remedies. Upon the occurrence of an Event of Default, and without regard to the adequacy of any other security therefor or whether or not the entire amount of the Indebtedness Secured Hereby is declared to be immediately due, forthwith, upon demand of the Assignee, the Assignor shall surrender to the Assignee and the Assignee shall be entitled to take actual possession of the Premises, or any part thereof, personally or by its agents or attorneys, and the Assignee in its discretion may enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers and accounts of the Premises, and together with all documents, books, records, papers and accounts of the Assignor or the then manager of the Premises relating thereto, and may exclude the Assignor, its agents or servants, wholly therefrom and may, as attorney in fact or agent of the Assignor, or in its own name as the Assignee and under the powers herein granted: (i) hold, operate, manage, and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in the Assignee's sole discretion or in the sole discretion of its successors or assigns may deem proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the Premises including actions for recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every right, privilege and power herein granted at any and all times hereafter, without notice to the Assignor, (ii) cancel or terminate any of the Leases or subleases permitted pursuant thereto and approved by the Assignee, for any cause or on any ground which would entitle the Assignor to cancel the same, (iii) elect to disaffirm any other Leases or any sublease made subsequent to the Mortgage or subordinated to the lien thereof, (iv) extend or modify any of the then existing Leases and make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to tenants to extend or renew terms to expire, beyond the maturity date of the Indebtedness Secured Hereby and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such Leases, and the options or other such provisions to be contained therein, shall be binding upon the Assignor and all persons whose interests in the Premises are subject to the lien hereof and shall also be binding upon the purchaser or purchasers at any foreclosure sale, notwithstanding, any redemption from sale, discharge of the Secured Indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser, (v) make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements to the Premises as to the Assignee may seem judicious, (vi) insure and reinsure the Premises and all risks incidental to the Assignee's possession, operation and management thereof and (vii) receive all avails, rents, issues and profits.

7. Application of Rents. Any avails, rents, issues and profits of the Premises received by the Assignee pursuant hereto shall be applied in payment of or on account of the following, in such order as the Assignee may determine: (i) to the payment of the operating expenses of the Premises, including reasonable compensation to the Assignee or its agent or agents, attorneys' fees and lease commissions and other compensation and expenses of seeking and procuring tenants and entering into Leases and the payment of premiums on insurance hereinabove authorized, (ii) to the payment of taxes, special assessments, water taxes and utility charges now due or which may hereafter become due on the Premises, or which may become a lien prior to the lien of the Mortgage, (iii) to the payment of all repairs, decorating, renewals, replacements, alternations, additions, betterments, and improvements of the Premises, including the cost from time to time of installing or replacing personal property in such condition as will, in the judgment of the Assignee, make the Premises readily rentable, (iv) to the payment of any Indebtedness Secured Hereby or any deficiency which may result from any foreclosure sale, or (v) with respect to any surplus of remaining funds, to the Assignor, the Assignor's successors and assigns, as their rights may appear.

8. No Liability. The Assignee shall not be liable for any loss sustained by the Assignor resulting from the Assignee's failure to let the Premises after the occurrence of an Event of Default or from any other act or omission of the Assignee in managing the Premises after the occurrence of an Event of Default. The Assignee shall not be obligated to perform or discharge, nor does the Assignee hereby undertake to perform or discharge, any obligation, duty or liability under any of the Leases or under or by reason of this Assignment, and the Assignor shall

and does hereby agree to indemnify the Assignee for, and to hold the Assignee harmless from, any and all liability, loss or damage which may or might be incurred under any of the Leases or under or by reason of this Assignment and from any and all claims and demands whatsoever which may be asserted against the 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. Should the Assignee incur any such liability under any of the Leases, or under or by reason of this Assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses and attorneys' fees, shall be secured hereby and the Assignor shall reimburse the Assignee therefor with interest at the Default Interest Rate provided in the Note immediately upon demand. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Premises upon the Assignee, nor for the carrying out of any of the terms and conditions of any of the Leases, nor shall it operate to make the Assignee responsible or liable for any waste committed on the property by any of the tenants or any other person or for any dangerous or defective conditions of the Premises, or for any negligence in the management, upkeep, repair or control of the Premises resulting in loss or injury or death to any lessee, licensee, employee or stranger. Nothing herein contained shall be construed as constituting the Assignee a trustee or a "mortgagee in possession" in the absence of the taking of actual possession of the Premises by the Assignee pursuant to the provisions of this Assignment.

9. Defeasance. Upon payment in full of the Indebtedness Secured Hereby, this Assignment shall become and be void and of no further effect but the affidavit, certificate, letter or statement of any officer, agent or attorney of the Assignee showing any part of said principal and interest to remain unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment and any person may, and is hereby authorized to rely thereon.

10. Attornment. A demand on any tenant by the Assignee for the payment of the rent on the occurrence of an Event of Default shall be sufficient warrant to such tenant to make future payment of rent to the Assignee without the necessity of further consent by the Assignor. The Assignor hereby authorizes and directs each tenant named in each of the Leases, and any other or future tenant or occupant of the Premises, upon receipt from the Assignee of written notice to the effect that the Assignee is then the holder of the Note and the Mortgage and that an Event of Default exists thereunder or under this Assignment, to pay over to the Assignee all rents, security deposits, and other sums, if any, arising or accruing under such Lease and to continue to do so until otherwise notified by the Assignee.

11. Release and Substitution of Security. The Assignee may take or release other security for the Indebtedness Secured Hereby, may release any person primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of the Indebtedness Secured Hereby without prejudice to any of its rights under this Assignment.

12. Right to Exercise Remedies. Nothing contained in this Assignment and no act done or omitted by the Assignee pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by the Assignee of its rights and remedies under the Note, the Mortgage and the Loan Documents. This Assignment is made without prejudice to any of the rights and remedies possessed by the Assignee under the terms of the Note, the Mortgage and the Loan Documents, it being agreed and understood that no remedy conferred upon or reserved to the Assignee herein or in the Note, the Mortgage or the Loan Documents is intended to be exclusive of any other remedy or remedies, and each and every such remedy and all representations herein and in the Note, the Mortgage and the Loan Documents contained shall be cumulative and concurrent and shall be in addition to every other remedy given hereunder and thereunder or now or hereafter existing at law or in equity or by statute. Remedies may be pursued singly, successively or together against the Assignor or the Premises at the sole discretion of the Assignee. The right of the Assignee to collect the principal amount of the loan and interest thereon of the Secured Indebtedness and to

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enforce any other security therefor held by it may be exercised by the Assignee either prior to, simultaneously with or subsequent to any action taken by it hereunder.

13. **Binding on Successors; Certain Definitions.** This Assignment and the covenants herein contained shall inure to the benefit of the Assignee and any subsequent holder of the Note, the Mortgage and the Loan Documents and shall be binding upon the Assignor, its successors and assigns and any subsequent owner of the Premises. The words "the Assignor", "the Assignee" and "tenant", wherever used herein, shall include the persons named herein and designated as such and their respective successors and assigns. The following words and phrases shall be construed as follows: (a) "any" shall be construed as "any and all"; (b) "include" and "including" shall be construed as "including, but not limited to"; and (c) "will" and "shall" shall each be construed as mandatory. The words "hereby", "hereof", "hereto", "herein" and "hereunder" and any similar terms shall refer to this Assignment as a whole and not to any particular paragraph or subparagraph. The word "hereafter" shall mean after the date of this Assignment and the word "heretofore" shall mean before the date of this Assignment. Words of the masculine, feminine or neuter gender shall mean and include the correlative words of the other genders and words importing the singular number shall mean and include the plural number and vice versa. Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

14. **Assignment as Additional Security.** This Assignment is given as additional security for all sums secured by the Mortgage. The security of this Assignment is and shall be primary and not secondary and on a parity with the Premises conveyed by the Mortgage. All amounts collected hereunder, after deducting the expenses of collection, shall be applied on account of the Indebtedness Secured Hereby, or in such other manner as may be provided for in the Loan Documents, or in any general assignment of rents given as additional security for the Secured Indebtedness. This Assignment is intended to be supplementary to and not in substitution for or in derogation of any assignment of rents to secure the Indebtedness Secured Hereby contained in the Mortgage or in any of the Loan Documents.

15. **Subrogation.** The Assignee shall be subrogated to any lien discharged out of the avails, rents, deposits, incomes and profits of the Premises.

16. **Miscellaneous.**

a. This Assignment may not be modified, amended, discharged or waived, except by an agreement in writing and signed by the party against whom enforcement of any such modification, amendment, discharge or waiver is sought.

b. The article headings in this Assignment are for convenience only and are not to be used in determining the intent of the parties or otherwise in interpreting this Assignment.

c. This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

d. Any notices which any party may be required or may desire to give hereunder shall be deemed to have been given if delivered personally, or if mailed by United States Registered or Certified Mail, postage prepaid, return receipt requested, or if delivered by a nationally recognized overnight express delivery service, freight prepaid and addressed as follows:

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i. If to the Assignee at the address set forth above to the attention of the Commercial Loan Department.

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ii. If to the Assignor at the address set forth below.

or such other address(es) or addressee(s) as the party to be served with notice may have furnished to the other party in the manner herein provided for the service of notice. Notices, demands and requests which shall be served in the manner aforesaid shall be deemed to be sufficiently delivered or given for all purposes hereunder (i) in the case of personal delivery, upon such delivery, (ii) in the case of overnight express delivery, one (1) business day after delivery to such delivery service, and (iii) in the case of mailing by Registered or Certified Mail, two (2) business days after such notice, demand or request shall be mailed.

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

ASSIGNOR:

CARPE DIEM PROPERTIES, INC.

By: James E. Reger

Print Name: JAMES E. REGER

Title: President

NOTICE ADDRESS FOR ASSIGNOR:

1405 Shire Circle, Inverness, Illinois 60067

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STATE OF ILLINOIS)

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COUNTY OF KANE)

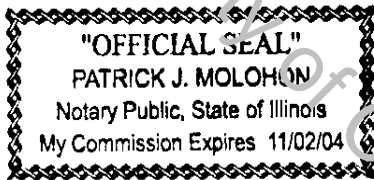
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The undersigned, a Notary Public in and for said County, in the State aforesaid, DOES HEREBY CERTIFY that **James E. Reger**, personally known to me to be the President of Carpe Diem Properties, Inc., and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that in such capacity, he signed and delivered the said instrument and caused the corporate seal to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as his free and voluntary act, and as the free and voluntary act of the corporation, for the uses and purposes therein set forth.

GIVEN UNDER MY HAND and notarial seal on November 29, 2000. .



NOTARY PUBLIC



My Commission Expires: _____

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EXHIBIT A

00952722

Legal Description

PARCEL 1:

LOT 10 IN CENTEX INDUSTRIAL PARK NORTH UNIT NO. 2, BEING A SUBDIVISION IN SECTION 26, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 825 NICHOLAS BOULEVARD, ELK GROVE VILLAGE, ILLINOIS

P.I.N.: 08-26-301-034-0000

PARCEL 2:

LOT 11 IN CENTEX INDUSTRIAL PARK NORTH UNIT NO. 3, BEING A SUBDIVISION IN SECTION 26, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS:

P.I.N. 08-26-309-006-0000

PARCEL 3:

LOT 4 IN CENTEX INDUSTRIAL PARK NORTH UNIT NO. 2, BEING A SUBDIVISION IN SECTION 26, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 850 NICHOLAS BOULEVARD, ELK GROVE VILLAGE, ILLINOIS

P.I.N.: 08-26-309-012-0000