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Cook County Recorder 57.50

ASSIGNMENT OF LEASES AND RENTS

This instrument prepared by the below-named attorney, in consultation with attorneys admitted to practice in the State of Illinois. After recording return to:

Judith E. Gowing, Esq.
Dickinson Wright PLLC
38525 Woodward Avenue
Bloomfield Hills, MI 48304

Property Address:
2200-2222 West 95th Street
Chicago, IL 60643

- PIN:
- 25-06-320-019
 - 25-06-320-020
 - 25-06-320-041
 - 25-06-319-006
 - 25-06-319-010
 - 25-06-319-011



0010115001

5 CC 200600 LL DEC

ASSIGNMENT OF LEASES AND RENTS

from

DB BEVERLY, L.L.C.
20 North Wacker Drive
Chicago, Illinois 60606

to

WILMINGTON TRUST COMPANY, not in its individual capacity, but solely as Owner Trustee
Rodney Square North
1100 North Market Street
Wilmington, Delaware 19890



WHEN RECORDED RETURN TO: Dated as of February 2, 2001
FIRST AMERICAN TITLE
ATTN: EILEEN MELMAN
755 WEST BIG BEAVER ROAD SUITE 700
TROY MI 48084



ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS, dated as of February 2, 2001 (together with all modifications, supplements and amendments, the "Assignment"), made by DB BEVERLY, L.L.C., an Illinois limited liability company, whose address is 20 North Wacker Drive, Suite 1500, Chicago, Illinois 60606 (the "Assignor"), to WILMINGTON TRUST COMPANY, not in its individual capacity but solely as Owner Trustee (together with its successors and assigns, the "Assignee"), whose address is Rodney Square North, 1100, North Market Street, Wilmington, Delaware 19890.

Preliminary Statement

Pursuant to a Project Loan Agreement dated as of the date hereof (as amended, supplemented or otherwise modified from time to time, the "Project Loan Agreement"), between the Assignor and the Assignee, the Assignee has agreed to make a loan (the "Project Loan") to the Assignor in the principal amount of \$3,903,926.05 upon the terms and subject to the conditions set forth therein, to be evidenced by the promissory note of even date herewith in the principal sum of \$3,903,926.05 (the "Project Loan Note") issued by the Assignor, for the purpose of providing permanent financing for the land described on Exhibit A attached hereto and made a part hereof, together with the easements, rights and appurtenances appertaining thereto (the "Property"), and the building, site improvements, fixtures and equipment now or hereafter located thereon (collectively, the "Improvements", the Improvements and the Property being collectively referred to herein as the "Mortgaged Property") to be leased by Borders, Inc. (the "Lessee") pursuant to a Lease of even date herewith between Assignor, as landlord, and Lessee (the "Lease").

It is a condition, among others, to the obligation of the Assignee to make the Project Loan to the Assignor under the Project Loan Agreement that the Assignor shall have executed and delivered, and the Lessee shall have consented to, this Assignment to the Assignee.

In order to further secure the payment of the all amounts, including without limitation, principal, interest and premiums advanced under the Project Loan Agreement, the Project Loan Note and the other Project Loan Documents, and the performance of the covenants and agreements contained therein and in this Assignment, (collectively, the "Obligations"), the Assignor has agreed to execute and deliver this Assignment.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used but not otherwise defined in this Assignment shall have the respective meanings specified in the Appendix A to the Lease.

2. Assignment. The Assignor hereby irrevocably and unconditionally assigns, transfers, sets over and conveys to the Assignee, all the following described property relating to or arising in connection with the Property, whether now owned or held or hereafter acquired by Assignor, exclusively:

(a) All of the estate, right, title, interest, benefits, powers, options and privileges and other benefits of the Assignor, as lessor, under the Lease including, without limitation, (i) the immediate and continuing right to make claim for, receive, collect and receipt for all rents, income, revenues, issues, profits, insurance proceeds, condemnation awards, sales proceeds, security deposits, and other sums payable to or receivable by the Assignor under the Lease or pursuant to any provisions thereof, whether as rent or as the purchase price or termination payment for any interest in the Property or otherwise (including, without limitation, Termination Value) (collectively, the "Lease Rents"), including all cash, securities or letters of credit delivered or deposited pursuant thereto to secure performance by the Lessee of its obligations thereunder, (ii) the right to declare the Lease to be in default under Article XVIII thereof, (iii) the right to exercise remedies under or with respect to the Lease, (iv) the right to make all waivers and agreements on behalf of the Assignor under the Lease provided for or permitted under the Lease, (v) the right to give all notices, consents, approvals, releases and other instruments provided under the Lease, (vi) the right to give all notices of default and to take all action upon the happening of a Lease Default or a Lease Event of Default, including the commencement, conduct and consummation of proceedings as shall be permitted under any provision of the Lease, or by law or in equity, (vii) the right to receive all notices sent to the Assignor under the Lease, (viii) the Assignor's interest under the Lease, if any, in the Lessee's tangible and intangible property used or arising in connection with the Property, including, but not limited to, permits, licenses, contract rights and prepaid expenses, and (ix) the right to do any and all other things whatsoever which the Assignor is or any lessor is, or may be entitled to do under the Lease. The Assignor hereby agrees that any action taken by Assignee (or its designee) pursuant to this Assignment shall be exclusive, and no party relying on such action of the Assignee (or such designee) pursuant hereto shall be required to obtain the concurrence or consent of the Assignor to such action or to a request for such action. Notwithstanding the foregoing, it is understood that so long as no Lease Event of Default shall have occurred that has not been waived or cured, (i) Assignee shall turn over any amount to the Assignor or to the party entitled thereto which Assignee may receive to the extent such amount constitutes Developer Equity or Developer Yield free and clear of any interest of Assignee in such amounts, free and clear of any interest of Assignee in such amounts, and (ii) if Lessee has failed to make any payment of Developer Yield as provided in the Project Loan Agreement and Assignee has not declared a Lease Event of Default as a result of such failure or otherwise, then Assignor shall have the right to bring suit against Lessee for the payment of any and all delinquent Developer Yield.

(b) All of the estate, right, title, interest, benefits, powers and privileges of the Assignor, to and under all other leases, subleases or licenses of the Property, any license, concession, management, mineral or other agreements of a similar kind that permit the use or occupancy of the Property or any part thereof for any purpose in return for any payment, or permit the extraction or taking of any gas, oil, water or other minerals from the Property or any

part thereof in return for payment of any fee, rent or royalty, now or hereafter entered into by the Assignor (collectively, the "Other Leases" and, together with the Lease, the "Leases"), together with all estate, rights, title, interest, benefits, powers and privileges of the Assignor, as lessor, under the Other Leases including, without limitation, the immediate and continuing right to make claim for, receive, collect and receipt for all charges, fees, income, issues, profits, receipts, rents, revenues or royalties payable under any of the Other Leases (collectively, the "Other Lease Rents") and all estate, right, title and interest of the Assignor thereunder, including all cash, securities or letters of credit delivered or deposited thereunder to secure performance by the lessees under Other Leases of their obligations thereunder.

(c) All of the estate, right, title, interest, benefits, powers and privileges of the Assignor, to and under all agreements or contracts for the sale or other disposition of all or any part of the Mortgaged Property, now or hereafter entered into by the Assignor (collectively, the "Contracts"), together with all estate, rights, title, interest, benefits, powers and privileges of the Assignor under the Contracts including, without limitation, the immediate and continuing right to make claim for, receive, collect and receipt for all charges, fees, income, issues, profits, receipts, rents, revenues or royalties payable under any of the Contracts (collectively, the "Contract Rents" and, together with the Lease Rents and the Other Lease Rents, the "Rents") and all right, title and interest of the Assignor thereunder, including all cash, securities or letters of credit deposited thereunder to secure performance by the obligors of their obligations thereunder.

(d) All of the right, title and interest of the Assignor in and to all claims and rights to the payment of money at any time arising in connection with any repudiation, rejection or breach of the Lease by the Lessee or a trustee or receiver of the Lessee (or any Other Lease by any lessee thereunder, trustee or receiver of any such lessee) under any insolvency statute, law or regulation, including, without limitation, all rights to recover damages arising out of such breach or rejection, all rights to charges payable by the Lessee or such trustee or receiver (or by such lessee, trustee or receiver) in respect of the Mortgaged Property or any portions thereof following rejection, repudiation or disaffirmance of the Lease or following the entry of an order for relief under any insolvency statute, law or regulation in respect of the Lessee (or such lessee) and all rentals and other charges outstanding under the Lease (or Other Lease) as of the date of entry of such order for relief.

(e) All of the right, title and interest of the Assignor in and to that certain Lease Guaranty Agreement dated as of the date hereof executed by Borders Group, Inc. (the "Guarantor") for the benefit of Assignor with respect to the Lease, and any amendments thereto or substitutions or replacements thereof (the "Lease Guaranty"), and any and all claims, causes of action, and demands which Assignor, its successors and assigns, may now or hereafter have against Guarantor and its successors and assigns under the Lease Guaranty.

3. Receipt of Rents. The Assignor hereby irrevocably designates the Assignee (or its designee) to receive all payments of the Lease Rents, the Other Lease Rents and the Contract Rents and any other sums payable to the Assignor under the Lease, any Other Lease, any Contract or the Lease Guaranty. The Assignor agrees to direct (and hereby directs) the Lessee, any other lessees and any parties contracting with Assignor to deliver to the Assignee (or its

designee), at its address set forth herein or at such other address or to such other Person as the Assignee shall designate, all such payments and sums on account of the Rents, and no delivery thereof by the Lessee, such other lessee or such contracting party shall be of any force or effect unless made to the Assignee (or its designee), as herein provided. The Assignor agrees that any Basic Rent received by Assignor shall be held in trust by Assignor for the sole and exclusive benefit of Assignee and shall be delivered to Assignee within five (5) Business Days after receipt of the same.

4. Receipt of Notices. The Assignor hereby designates the Assignee (or its designee) to receive (in addition to, and not to the exclusion of, the Assignor) duplicate originals or copies of all notices, undertakings, demands, statements, documents, financial statements and other communications which the Lessee, any other lessee or any contracting party is required or permitted to give, make, deliver to or serve pursuant to the Lease, any Other Lease, any Contract or the Lease Guaranty. The Assignor agrees to direct (and hereby directs) the Lessee and such other lessees and contracting parties to deliver to the Assignee (or its designee), at its address set forth herein or at such other address or to such other Person as the Assignee shall designate, duplicate originals or copies of all such notices, undertakings, demands, statements, documents, financial statements and other communications, and no delivery thereof by the Lessee, such other lessee or such contracting party shall be of any force or effect unless made to the Assignor and also made to the Assignee (or its designee), as herein provided. The Assignor further agrees that upon receipt by the Assignor of any such notices, undertakings, demands, statements, documents, financial statements and other communications, the Assignor shall promptly deliver copies thereof to the Assignee.

5. Irrevocability; Supplemental Instruments. The Assignor agrees that this Assignment and the designation and direction to the Lessee and such other lessees and contracting parties as and such other lessees and contracting parties as set forth in Sections 3 and 4 of this Assignment are unconditional and irrevocable and that it will not take any action as lessor under the Lease, any Other Leases, any Contract, the Lease Guaranty or otherwise which is inconsistent with this Assignment and that any action, assignment, designation or direction inconsistent herewith shall be void. The Assignor will from time to time execute and deliver all instruments of further assurance and do such further acts as may be necessary or proper to carry out more effectively the purpose of this Assignment.

6. Validity. The Assignor represents and warrants (on a continuing basis) and covenants to the Assignee that (i) the Assignor has not assigned or executed any assignment of, and will not assign or execute any assignment of its interest in the Lease, of any Other Lease, of any Contract, of the Lease Guaranty or of any Rents or of any other subject matter of this Assignment to anyone other than the Assignee and any assignment, designation or direction by the Assignor inconsistent herewith shall be void, (ii) the Assignor does not have actual knowledge of the occurrence of a Lease Default or a Lease Event of Default by the Lessee thereunder and (iii) the Assignor has not done any act or executed any document that impairs the rights of the Assignee to the Leases or the Rents under this Assignment.

7. The Assignor Remains Liable. While the assignment made hereby is present, direct and continuing, it has been made for the purpose of providing the Assignee with security for the performance of the Assignor's obligations under the Project Loan Agreement and the Project Loan Note and the execution and delivery hereof shall not impair or diminish in any way the obligations of the Assignor under the Lease or impose any of such obligations on the Assignee. This Assignment shall not operate to cause the Assignee (or its designee) to be regarded as a mortgagee in possession. Neither the Assignee nor its designee shall be responsible or liable for performing any of the obligations of the Assignor under the Lease, any Other Lease or any Contract, for any waste by the Lessee or others, for any dangerous or defective conditions of the Property, for negligence in the management, upkeep, repair or control of the Property or any other act or omission by any other Person. Nothing contained herein shall operate or be construed to (i) obligate the Assignee (or its designee) to assume the obligations of the Assignor under the Lease, any Other Lease or any Contract, to perform any of the terms and conditions contained in the Lease, any Other Lease or any Contract or otherwise to impose any obligation upon the Assignee with respect to the Lease, any Other Lease or any Contract or (ii) place upon the Assignee (or its designee) any responsibility for the operation, control, care, management or repair of any of the Mortgaged Property or any part thereof. Subject at all times to the terms and conditions of this Assignment, the Assignor will at all times promptly and faithfully perform in all respects, or cause to be performed in all respects, all of its covenants, conditions and agreements contained in the Lease, any Other Lease or any Contract now or hereafter existing on the part of the Assignor to be kept and performed.

8. Amendments; Lessee's Consent. The Assignor will not enter into any agreement subordinating, amending, extending or terminating the Lease without the prior written consent thereto of the Assignee, which consent may be withheld by Assignee in its sole discretion, and any such attempted subordination, amendment, modification, extension or termination without such consent shall be void. If the Lease, any Other Lease, the Lease Guaranty or any Contract shall be amended, it shall continue to be subject to the provisions hereof without the necessity of any further act by any of the parties hereto. The Assignor and the Assignee hereby consent to the provisions of Lessee's Consent attached to this Assignment as Exhibit B and agree to be bound thereby.

9. Absolute Assignment. The Assignor has, subject to and in accordance with the terms and conditions of this Assignment, assigned and transferred unto the Assignee all of the Assignor's right, title and interest in and to Rents now or hereafter arising from the Lease, any Other Lease or any Contract heretofore or hereafter made or agreed to by the Assignor, it being intended to establish an absolute transfer and assignment, subject to and in accordance with the terms and conditions of this Assignment, of all such Rents, the Lease, the Other Leases, the Contracts and the Lease Guaranty to the Assignee and not merely to grant a security interest therein. Subject to the terms of the Lease, the Assignee (or its designee) may in the Assignor's name and stead operate the Property and rent, lease or let all or any portion of the Mortgaged Property to any party or parties at such rental and upon such terms as the Assignee (or its designee) shall, in its discretion, determine.

10. Ongoing Right to Collect Rents; Receivers. If notwithstanding the terms of this Assignment, a petition or order for sequestration of rents, or the appointment of a receiver or some similar judicial action or order is deemed required under applicable state law to allow the Assignee to continue to collect the moneys described in paragraphs 2(a), (b), (c) and 2(d) of this Assignment, then it is agreed by the Assignor that any proof of claim or similar document filed by the Assignee in connection with the breach or rejection of the Lease by the Lessee thereunder or the trustee of any lessee under any federal or state insolvency statute shall for the purpose of perfecting the Assignee's rights conferred in said paragraph 2(d) be deemed to constitute action required under such state law. Upon the occurrence and during the continuance of an Event of Default, the Assignor hereby consents to the appointment of a receiver for the Mortgaged Property as a matter of right and without any requirement for notice to the Assignor and without regard to the solvency of the Assignor or to the collateral that may be available for the satisfaction of the Project Loan Note and all other obligations under the Project Loan Agreement and the other Project Loan Documents.

11. Amendment. This Assignment may not be amended or otherwise modified except by a writing signed by the Assignor and the Assignee in accordance with the terms of the Project Loan Agreement.

12. Notices. All notices, demands, statements, requests, consents, approvals and other instruments under this Assignment shall be made in accordance with the notice provisions of the Project Loan Agreement.

13. Successors and Assigns. All covenants, agreements, representations and warranties in this Assignment by the Assignor and the Assignee shall bind, and shall inure to the benefit of and be enforceable by, their respective successors and assigns.

14. Severability. If any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of law of competent jurisdiction to be in violation of any local, state or Federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of the parties hereto that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein, and that the obligations of the Assignor under the remainder of this Assignment shall continue in full force and effect.

15. Governing Law. **THIS ASSIGNMENT SHALL BE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF IN WHICH THE MORTGAGED PROPERTY IS LOCATED.**

16. Events of Default. Upon and during the continuance of an Event of Default, the Assignee 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 Leases, or any of them, and the 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 the Assignee 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 of the 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 Leases as may seem proper to the Assignee and shall apply the Rents to the payment of the following in such order and proportion as the Assignee in its sole discretion may determine, any law, custom or use to the contrary notwithstanding: (a) 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 the Assignee 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 the Assignee may deem necessary or desirable, and the cost of all alterations, renovations, repairs or replacements permitted under the Lease and all expenses incident to taking and retaining possession of the Mortgaged Property; and (b) the Obligations, together with all costs and reasonable attorneys' fees as provided in the Mortgage.

In addition to the rights which the Assignee may have herein, upon the occurrence and during the continuation of an Event of Default, the Assignee, at its option, may to the extent permitted under applicable law, either require the Assignor to pay monthly in advance to the Assignee or the designee of the Assignee, 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 the Assignor or may require to vacate and surrender possession of the Mortgaged Property to the Assignee or to such receiver and, in default thereof, the Assignor may be evicted as summary proceedings or otherwise. For purposes of this paragraph, the Assignor grants to Assignee and the designee of the Assignee 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 the Assignee for the proper management and preservation of the Mortgaged Property, which power of attorney the Assignee agrees not to exercise unless and until the occurrence and during the continuation of an Event of Default. The exercise by the Assignee 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 the Assignor under the Project Loan Note, the Mortgage, the Lease, this Assignment or any of the other Project Loan Documents.

The Assignee shall not be liable for any loss sustained by the Assignor resulting from the Assignee's failure to let the Mortgaged Property after an Event of Default or from any other act or omission of the Assignee 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 the Assignee. The Assignee shall not be obligated to perform or discharge any obligation, duty or liability under any of the Leases or under or by reason of this Assignment (unless and until fee title to the Mortgaged Property is transferred to the Assignee pursuant to a foreclosure of the

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Indenture or other exercise by the Assignee of its remedies under the Mortgage) and the Assignor shall, and hereby agrees, to indemnify the Assignee for, and to hold the Assignee 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 the Assignee by reason of any alleged obligations and 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, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby and by the Mortgage and the other Project Loan Documents and the Assignor shall reimburse the Assignee therefor immediately upon demand and upon the failure of the Assignor so to do the Assignee may, at its option, declare all sums secured hereby and by the Project Loan Note, the Mortgage and the other Project Loan Documents immediately due and payable.

17. Obligations Are Without Recourse. Anything to the contrary contained in this Assignment, the Project Loan Agreement, the Project Loan Note or in any other Project Loan Document notwithstanding, neither the Assignor, nor any partner, member, manager, officer, director or shareholder thereof, nor any of the Assignor's successors or assigns (all such Persons being hereinafter referred to collectively as the "Exculpated Persons"), shall be personally liable in any respect for any liability or obligation hereunder or in any other Project Loan Document including the payment of the principal or interest on, or Prepayment Premium due with respect to the Project Loan Note, or for monetary damages for the breach of performance of any of the covenants contained in the Project Loan Agreement, the Project Loan Note, this Assignment, the Mortgage or any of the other Project Loan Documents. The Assignee agrees that, in the event it pursues any remedies available to it under the Project Loan Agreement, the Project Loan Note, this Assignment, the Mortgage or under any other Project Loan Document, the Assignee shall have no recourse against the Assignor, nor any Exculpated Person, for any deficiency, loss or claim for monetary damages or otherwise resulting therefrom and recourse shall be had solely and exclusively only against the Property; but nothing contained herein shall be taken to prevent recourse against or the enforcement of remedies against the Property in respect of any and all liabilities, obligations and undertakings contained herein, in the Project Loan Agreement, the Project Loan Note, the Mortgage or in any other Project Loan Document. Notwithstanding the provisions of this paragraph, nothing in this Assignment, the Project Loan Agreement, the Project Loan Note, the Mortgage or any other Project Loan Document shall: (a) constitute a waiver, release or discharge of any indebtedness or obligation evidenced by the Project Loan Note or arising under this Assignment, the Mortgage or the Project Loan Agreement or secured by this Assignment or the Mortgage, but the same shall continue until paid or discharged; (b) relieve the Assignor from liability and responsibility for the following, Mortgagor hereby acknowledging its personal liability in each case (but only to the extent of the damages arising by reason of): (i) active waste knowingly committed by the Assignor with respect to the Property; (ii) any fraud or misrepresentation on the part of the Assignor or any such Exculpated Person; (iii) any environmental matter affecting the Mortgaged Property which is introduced or caused by Assignor or a Beneficial Owner; (iv) the failure of Assignor to maintain its existence as a special purpose, "bankruptcy remote" entity in good standing; (v) the failure of Assignor or any Beneficial Owner to comply with the provisions of Section 6 of the Project Loan Agreement; (vi) misappropriation or misapplication by the Assignor (i.e., application in a manner contrary to this Assignment or any

other Project Loan Document) of any insurance proceeds or condemnation award paid or delivered to the Assignor by any Person other than the Assignee; or (vii) any rents or other income received by the Assignor from the Lessee that are not turned over to the Assignee; or (c) affect or in any way limit the Assignee's rights and remedies hereunder with respect to the Rents and rights and powers assigned hereunder or to obtain a judgment against the Assignor (provided that no deficiency judgment or other money judgment shall be enforced against the Assignor except to the extent of the Assignor's interest in the Mortgaged Property or to the extent the Assignor may be personally liable as otherwise contemplated in clause (b) of this Section).

18. Miscellaneous. The Assignee may take or release security for the payment of the Obligations, 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 Obligations without prejudice to any of its rights under this Assignment.

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

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

Pursuant to the provisions of 765 ILCS 5/31.5, the mere recordation of this Assignment entitles Assignee immediately to collect and receive Lease Rents upon the occurrence of an Event of Default, without first taking any acts of enforcement under applicable law, including providing notice to Assignor, filing foreclosure proceedings pursuant to the Mortgage, or seeking

the appointment of a receiver. Further, Assignee's right to the Lease Rents does not depend on whether or not Assignee takes possession of the Mortgaged Property as permitted under the Mortgage. In Assignee's sole discretion, Assignee may choose to collect Lease Rents either with or without taking possession of the Mortgaged Property.

(remainder of page intentionally left blank)

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, the Assignor has caused this Assignment to be duly executed as of the day and year first above written.

WITNESSES:


DB BEVERLY, L.L.C.,
an Illinois limited liability company

By: DB BEVERLY, INC., an
Illinois corporation

Its: Manager




Mary H. McCarty


By: _____
Patrick F. Daly
Its: President

STATE OF ILLINOIS)
) ss.:
COUNTY OF Cook)

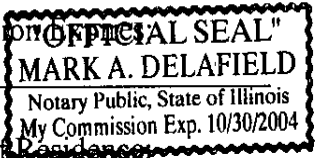
The foregoing instrument was acknowledged before me this 30th day of January, 2001, by Patrick F. Daly, the President of DB Beverly, Inc., an Illinois corporation, Manager of DB Beverly, L.L.C., an Illinois limited liability company, on behalf of the company.



Notary Public

MARK DELAFIELD

Printed Name

My Commission of _____

My County of Residence Cook

ASSIGNMENT OF LEASES
Chicago (Beverly), Illinois

EXHIBIT A

PARCEL 1:

THE SOUTH 50 FEET OF THE NORTH 150 FEET OF LOT 79 IN CHAMBER'S SUBDIVISION OF THE WEST ½ OF THE SOUTHWEST ¼ OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THEREFROM THAT PORTION OF SAID LOT 79, FALLING IN THE SCHOOLHOUSE LOT, AND EXCEPT ALSO THE WEST 33 FEET OF SAID LOT 79 AND EXCEPT ALSO THAT PORTION OF LOT 79 LYING SOUTH OF A LINE 54 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 6; CONVEYED TO THE CITY OF CHICAGO BY QUIT CLAIM DEED DATED OCTOBER 15, 1930 AND RECORDED NOVEMBER 10, 1930 AS DOCUMENT NUMBER 10786683 IN BOOK 28900, PAGE 276) ALL IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOT 79 (EXCEPT THE NORTH 150 FEET) IN CHAMBER'S SUBDIVISION OF THE WEST ½ OF THE SOUTHWEST ¼ OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, (EXCEPT THEREFROM THAT PORTION OF SAID LOT 79 FALLING IN SCHOOL HOUSE LOT AND EXCEPTING ALSO THE WEST 33 FEET OF SAID LOT 79 AND EXCEPTING ALSO THAT PORTION OF LOT 79 LYING SOUTH OF A LINE 54 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 6 AND CONVEYED TO CITY OF CHICAGO BY QUIT CLAIM DEED DATED OCTOBER 15, 1930 AND RECORDED NOVEMBER 10, 1930 AS DOCUMENT 10786683 IN BOOK 28900 PAGE 276 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE NORTH 154 FEET OF THE SOUTH 208 FEET OF THE WEST 175 FEET OF THE EAST 208 FEET OF THE WEST ½ OF THE SOUTHWEST ¼ OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14 (OTHERWISE DESCRIBED AS LOT 81 OF GEORGE A. CHAMBER'S SUBDIVISION OF THE WEST ½ OF THE SOUTHWEST ¼ OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14) EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOT 41 (EXCEPT THE EAST 93 FEET OF SAID LOT 41) AND EXCEPT THAT PART OF SAID LOT 41 LYING SOUTH OF A LINE 54 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SECTION 6 IN GEORGE A. CHAMBER'S SUBDIVISION OF THE WEST ½ OF THE SOUTHWEST ¼ OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14 IN COOK COUNTY, ILLINOIS.

PARCEL 5:

EAST 93 FEET OF LOT 41 (EXCEPT EAST 33 FEET OF SAID LOT 41) AND EXCEPT THAT PART OF LOT 41 LYING SOUTH OF A LINE 54 FEET NORTH OF AND PARALLEL WITH SOUTH LINE OF SECTION 6 IN GEORGE A. CHAMBER'S SUBDIVISION OF WEST 1/2 OF SOUTHWEST 1/4 OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14 IN COOK COUNTY, ILLINOIS.

PARCEL 6:

THE WEST 1/2 OF THAT PART OF SOUTH BELL AVENUE VACATED BY CITY OF CHICAGO ORDINANCE ENACTED JANUARY 14, 1998, RECORDED APRIL 9, 1998 AS DOCUMENT NO. 98282079, BEING THE EAST 33 FEET OF THE PART OF LOT 41 LYING NORTH OF THE NORTH LINE OF WEST 95TH STREET AS WIDENED BY COOK COUNTY COURT JUDGMENT ENTERED JULY 9, 1941 AS GENERAL NUMBER 49438 IN GEORGE A. CHAMBERS SUBDIVISION OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

PARCEL 7:

THE EAST 1/2 OF THAT PART OF SOUTH BELL AVENUE VACATED BY CITY OF CHICAGO ORDINANCE ENACTED JANUARY 14, 1998 RECORDED APRIL 9, 1998 AS DOCUMENT NO. 98282079, BEING THE WEST 33 FEET OF LOT 79 LYING SOUTH OF THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT 41 AND NORTH OF THE NORTH LINE OF WEST 95TH STREET AS WIDENED BY COOK COUNTY COURT JUDGMENT ENTERED JULY 9, 1941 AS GENERAL NUMBER 49438, IN GEORGE A. CHAMBERS' SUBDIVISION OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

ALSO BEING DESCRIBED AS:

PART OF LOTS 41, 79, AND 81, GEORGE A. CHAMBER'S SUBDIVISION OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 6, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE ADJACENT PORTION OF VACATED SOUTH BELL AVENUE, CITY OF CHICAGO, COOK COUNTY, ILLINOIS BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 41; THENCE N 00°11'00" W, 21.00 FEET TO A X SET IN THE CONCRETE SIDEWALK AT THE NORTH LINE OF 95TH STREET AT THE POINT OF BEGINNING; THENCE N 00°11'00"W, 105.37 FEET TO A SET X IN THE CONCRETE SIDEWALK; THENCE N 89°59'43"E, 329.25 FEET TO A SET 3/4" STEEL REBAR; THENCE N 00°09'10"W, 26.47 FEET TO A SET 3/4" STEEL REBAR; THENCE N 89°59'25"E, 88.57 FEET TO A

SET 3/4" STEEL REBAR; THENCE N 00°09'29"W, 22.71 FEET TO A SET 3/4" STEEL REBAR; THENCE N 89°59'39"E, 174.53 FEET BEING PREVIOUSLY RECORDED AS 175.00 FEET TO A SET 3/4" STEEL REBAR; THENCE S 00°09'56"E, 154.61 FEET; THENCE N 90°00'00"W, 592.33 FEET TO A X SET IN THE CONCRETE SIDEWALK AT THE POINT OF BEGINNING.

BLOOMFIELD 43832 108 416402

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EXHIBIT B TO ASSIGNMENT OF LEASES AND RENTS

LESSEE'S CONSENT TO ASSIGNMENT OF LEASES AND RENTS

Borders, Inc. (the "Lessee") hereby consents and agrees to all of the terms of the attached Assignment and further agrees as follows:

1. Acknowledgments, Confirmations and Agreements. The Lessee acknowledges, confirms and agrees that: (a) the Lessee has the right, power and authority to enter into this consent (this "Consent"); (b) the Lease and any existing sublease is in full force and effect, is enforceable in accordance with its terms and no default exists thereunder; (c) neither the Lessee nor, to the Lessee's knowledge, the Assignor is in default in the observance or performance of any condition or agreement to be observed or performed by the Lessee or the Assignor, respectively, thereunder; (d) no Lease Rents have been paid by the Lessee in advance except as provided in the Lease; (e) no Lease Rents have been waived, released, assigned, pledged, reduced, discounted or otherwise discharged or compromised by the Assignor; (f) except in connection with the interim financing to be satisfied with the proceeds of the Project Loan, the Lessee received no notice of any other assignment of the Lessor's interest in the Lease; and (g) the Lessee has delivered to the Assignee a true, correct and complete copy of each of the Lease and any existing sublease and any amendments thereto as of the date hereof.

2. Consent. (a) The Lessee, as lessee under the Lease, consents to the Assignment and each of the terms thereof, and agrees to pay and deliver to the assignee of the rights of Assignee under the attached Assignment and the Lease, First Security Bank, N.A. (together with its permitted successors and assigns, the "Collateral Trustee"). all Lease Rents and other sums payable under the Lease without any offset, deduction, defense, abatement, deferment, diminution or counterclaim, and the Lessee will not assert any offset, deduction, defense, abatement, deferment, diminution or counterclaim in any proceeding brought under the Assignment or with respect to the transactions contemplated therein or herein. The Lessee will not, for any reason whatsoever, seek to recover from the Assignee or the Collateral Trustee any moneys paid to the Assignee or the Collateral Trustee by virtue of the Assignment. The Lessee agrees (i) to deliver to the Assignee, the Collateral Trustee and the Assignor, at their addresses set forth in the Operative Agreements or at such other addresses as the Assignee, the Collateral Trustee or the Assignor, as the case may be, may designate, duplicate original or copies of all notices, undertakings, demands, statements, documents and other communications which the Lessee is required or permitted to deliver pursuant to the Lease or the Assignment; (ii) that any notice delivered or declaration made to the Lessee by the Assignee or the Collateral Trustee pursuant to the Lease shall be effective as a notice given or declaration made to the Lessee by the Assignor as lessor under the Lease; (iii) that, prior to possession of the Property by Assignee, the Assignee or the Collateral Trustee shall not by reason of the Assignment be subject to any liability or obligation under the Lease and shall have no liability for any act or omission of the Lessor; and (iv) that any waiver, consent or approval by the Assignor under the Lease shall not be valid unless approved in writing by the Collateral Trustee.

(b) The Lessee shall cause the Lease Rents and other sums payable to the Assignor under the Lease to be received by the Collateral Trustee, as an absolute net sum, in such manner that the Collateral Trustee shall have "collected funds" on the date and at the time payments are due under the Lease.

(c) The Lessee hereby agrees to remain obligated under the Lease and this Consent in accordance with their respective terms, and to take no action to terminate, annul, rescind or avoid the Lease or this Consent or to abate, reduce, offset, suspend or defer or make any counterclaim or raise any defense with respect to the Lease Rents payable thereunder or to cease paying such Lease Rents to the Collateral Trustee as provided herein, notwithstanding any action with respect to Lessee which may be taken by any trustee or receiver of the Assignor or of any assignee of the Assignor or by any court in any bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution or other proceeding affecting the Assignor or any assignee of the Assignee.

(d) The Lessee hereby agrees that upon the occurrence of a Lease Default or a Lease Event of Default, the Assignee or the Collateral Trustee shall have the right to deliver a notice of default under the Lease which shall be effective for all purposes under the Lease as if sent by the Assignor.

(e) The Lessee shall notify the Assignee and the Collateral Trustee at their respective addresses specified in the Operative Agreements, or such other address as such parties may designate, of any Lease Event of Default and agrees that no such default shall entitle the Lessee to terminate, annul, rescind or avoid the Lease or reduce or abate the Lease Rents or other sums payable thereunder.

(f) The Lessee also consents to the further assignment by the Assignee of the rights under the Lease to the Collateral Trustee.

3. Amendment or Termination of the Lease or the Assignment; Assignee's Designation. The Lessee agrees that it will not, unilaterally or by agreement, subordinate, amend, supplement, modify, extend (except as provided in Section 2.2(b) of the Lease), discharge, waive or terminate (except as provided in Section 17.1 and 17.2 of the Lease) the Lease or this Consent or any provision of any thereof without the Assignee's and Collateral Trustee's prior written consent, and that any such attempted subordination, amendment, supplement, modification, extension, discharge, waiver or termination without such consent shall be null and void. In the event that the Lease shall be amended or supplemented as herein permitted, the Lease, as so amended or supplemented, shall continue to be subject to the provisions of the Assignment and this Consent without the necessity of any further act by any of the parties hereto.

4. Continuing Obligations of the Assignor and the Lessee. Neither the execution and delivery of the Assignment, nor any action or inaction on the part of the Assignee or Collateral Trustee shall impair or diminish any obligations of the Assignor or the Lessee under the Lease, and, prior to the Assignee's or Collateral Trustee's possession of the Property, shall not impose

on either such party any such obligations, nor shall it impose on either such party a duty to produce Rents or cause the Assignee to be a mortgagee in possession for any purpose.

5. Severability. If any provision or provisions, or if any portion of any provision or provisions, in this Consent is found by a court of law of competent jurisdiction to be in violation of any local, state or Federal ordinance, statute, law, administrative or judicial decision, or public policy, and if such court should declare such portion, provision or provisions to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent of the Lessee that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Consent shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained herein, and that the obligations of the Lessee under the remainder of this Consent shall continue in full force and effect.

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IN WITNESS WHEREOF, the Lessee has caused this Consent to be duly executed as of this 2nd the day of February, 2001.

BORDERS, INC.

Margaux Searden Petersen By: Ed. W. Wilhelm
Name: Edward W. Wilhelm
Title: Vice President

Kay Kohler

STATE OF MICHIGAN)

Washenaw) s.:
COUNTY OF ~~OAKLAND~~)

The foregoing instrument was acknowledged before me this 31st day of January, 2001 by Edward W. Wilhelm, the Vice President of BORDERS, INC., a Colorado corporation, on behalf of the corporation.

Linda D. McGeachy
Name: _____
Notary Public, _____ County, Michigan
My Commission Expires: _____

Linda D. McGeachy
Notary Public
Livingston County, Acting In
Washtenaw County, Michigan
My Commission Expires: June 29, 2003

BLOOMFIELD 43632-108 414363

