

ASSIGNMENT OF
LEASES AND RENTS



THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made as of this 11th day of July, 2002.

COOK COUNTY
RECORDER
EUGENE "GENE" MOORE
BRIDGEVIEW OFFICE

ASSIGNOR: Teresita Marsal-Avila
ASSIGNEE: ARCHER BANK

ARTICLE I

RECITALS

1.1. Teresita Marsal-Avila ("Assignor") is the owner of certain real property commonly known as 2500 South Drake, Chicago, Cook County, Illinois and more fully described in Exhibit A to this Assignment (the "Property")

1.2. Assignee has agreed to loan to Assignor, and Assignor has agreed to borrow from Assignee, the sum of \$300,000.00 (the "Loan") for the purposes and pursuant to the obligations, terms and conditions stated in the Note (as defined below).

1.3. The Loan is evidenced by a Promissory Note of even date herewith (the "Note") and secured by a certain Mortgage and Security Agreement with Assignment of Rents of even date herewith (the "Mortgage") covering the Property. This Assignment, the Note, the Mortgage, the Environmental Indemnity Agreement executed by Assignor in favor of Assignee of even date herewith (the "Environmental Indemnity Agreement") and all other instruments and documents evidencing or securing the indebtedness evidenced by the Note, or delivered by Assignor in connection with the Note, are hereinafter collectively referred to as the "Loan Documents."

1.4. This Assignment by Assignor to Assignee is given to further secure Assignor's obligations to Assignee under the Note, the Mortgage, the Environmental Indemnity Agreement and all other Loan Documents.

ARTICLE 2

DEFINITIONS

The following terms shall have the following meanings herein, unless the context or use requires a different meaning, and such definitions shall be read in the singular or plural as the context requires.

2.1. Lease or Leases: All of the leases, tenancies, licenses, and other agreements, written or otherwise, including all amendments, modifications, extensions, additions, renewals and replacements thereof, the interest of the lessor thereunder which is held by Assignor or its successors or assigns,

This Instrument Prepared By
and After Recording Return to:

Permanent Index No.: 16-26-224-038-0000

See Exhibit A attached hereto

Michael S. Roberts
Connelly Roberts & McGivney LLC
One North Franklin
Suite 1200
Chicago, Illinois 60606

Address of Property:
2500 South Drake
Chicago, Illinois 60623



TICOR TITLE - 488694

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UNOFFICIAL COPY

Property of Cook County Clerk's Office

granting possession, use or occupancy of the Property, or a portion thereof, to another, whether now existing or hereafter entered into, notwithstanding the fact that said agreements are not specifically identified herein.

2.2. Rent or Rents: All the rental income, revenues, issues, proceeds, profits, damages, awards and payments now or hereafter due under the Leases. Without limiting the generality of the foregoing, Rents shall include all minimum rent, additional rent, percentage rent, deficiency rent, security deposits, liquidated damages, insurance proceeds, reimbursements, common area maintenance charges and payments and awards for damages payable pursuant to the terms of any Lease.

2.3. Indebtedness: All or any part of outstanding and unpaid debt of Assignor to Assignee as evidenced by the Note, or that may otherwise be due from Assignor to Assignee under the terms of the Mortgage, this Assignment or any other Loan Document.

2.4. Event of Default: A default under Section 6.20 hereof or an Event of Default as defined in the Note, the Mortgage, this Assignment or any other Loan Document.

2.5. Property: As previously defined, includes all improvements, buildings, structures, fixtures, amenities and personal property of Assignor, now or hereafter acquired, and now or hereafter located on the land (the "Land") described on Exhibit A and used or intended to be used in connection with the use, occupation or development thereof, and also all easements, rights of way and appurtenances, now or hereafter existing, acquired in connection with the Land.

2.6. Loan Documents: Each Loan Document, as previously defined, shall be deemed to include all subsequent amendments, modifications, extensions, additions, renewals and replacements thereof.

ARTICLE 3

ASSIGNMENT

3.1. For purposes of giving additional continuing security for repayment of the Indebtedness, Assignor hereby assigns to Assignee all of its rights, title and interest in and to the Leases and Rents. This Assignment is a present assignment, effective immediately upon the execution and delivery hereof by Assignor and shall continue in effect until the Indebtedness is paid in full. However, so long as no Event of Default shall exist under the Note, the Mortgage, this Assignment or any other Loan Document, Assignee temporarily waives its right to collect the Rent and hereby gives Assignor permission to collect the same. In consideration for the granting of said permission, Assignor agrees to use all Rents collected for purposes of making payments due on the Indebtedness, for paying all taxes and other charges that if not paid would become a lien against the Property, for paying all premiums on insurance policies covering the Property as they become due and for satisfaction of all its obligations under the Leases, before using the same for any other purpose. This permission given Assignor to collect the Rents may be revoked by Assignee at any time, in its complete discretion, upon the occurrence of an Event of Default.

ARTICLE 4

WARRANTIES

Assignor represents, warrants and covenants, and so long as the Indebtedness remains unpaid, shall be deemed to continuously represent, warrant and covenant, that:

4.1. Legal Right and Authority: Assignor has full legal right and authority to execute and deliver this Assignment to Assignee.

- 4.2. Sole Owner: Assignor is the sole owner of all the landlord's interest in the Leases.
- 4.3. Valid and Enforceable Leases: The Leases currently in effect are valid under existing law and, to the best of Assignor's knowledge, fully enforceable against the parties thereto.
- 4.4. Advance Rent: No Rent has been collected in advance of the time due, except for customary security deposits or one month's rent.
- 4.5. Defaults: As of the date hereof, no Lease is in default, nor is Assignor aware of any information that a tenant intends to default under a Lease, nor has Assignor received any written notice alleging that Assignor is in default under a Lease, except as has been previously disclosed to Assignee in writing.
- 4.6. Undisclosed Leases: As of the date hereof, Assignor has not entered into any lease for all or any part of the Property.
- 4.7. Assignment: Assignor has not previously assigned all or any part of the Leases or Rents, nor any right, title or interest therein.

ARTICLE 5

COVENANTS OF ASSIGNOR

5.1. Attorney-in-Fact: Assignee is hereby appointed attorney-in-fact of Assignor with full power of substitution and with full power and authority to act in the name of Assignor with respect to the subject matter of this Assignment, including anything relating to the Indebtedness or the Property. In connection therewith, in addition to other things deemed necessary by Assignee to effectuate the intent and object of this Assignment, upon the occurrence of an Event of Default, Assignee may, without limitation:

- (a) Demand, recover and receive the Rents, or any part thereof, from any person whomsoever;
- (b) Maintain any and all actions or proceedings to recover the Rents, to enforce the Leases or to remove tenants or occupants from the Property;
- (c) Perform such acts as may be required of Assignor by all Leases, any other tenancy of the Property, any other agreement affecting the Property or any part thereof or of this Assignment;
- (d) Lease the Property, or any part thereof, which is now or may become vacant, for such periods as Assignee may deem proper;
- (e) Perform such acts and execute and/or deliver all papers, leases, licenses, franchises and agreements that may be required in any action or proceeding affecting the Property, and in managing and operating the Property;
- (f) Pay out of the Rents all sums deemed reasonably necessary by Assignee for general improvements, tenant improvements, protection, operation, business expense, leasing, managing (whether by retained agent or otherwise) or preservation of the Property, including payment of taxes, assessments, management fees, leasing commissions, utilities, liens and insurance premiums and all security, maintenance and repair charges. If the Rents are not sufficient to cover such payments, together with sums due on the Indebtedness, Assignor will promptly reimburse Assignee to the extent thereof, together with interest at the Default Interest Rate as defined in the Mortgage. The obligation by Assignor to pay such sums to Assignee shall

be secured hereby. Nothing contained herein shall in any way obligate Assignee to pay any item listed in this subparagraph (f), to act in any manner on behalf of Assignor or to relieve Assignor from its duty to perform according to the provisions of the Leases. This Assignment confers upon Assignee a power coupled with an interest and shall be irrevocable so long as the Indebtedness remains unpaid.

5.2. Duties and Obligations: Assignor will duly perform all the duties and comply with all the obligations, terms and conditions required of it by the Leases.

5.3. Assignment and Prepayment: Assignor will not, without Assignee's written consent, otherwise assign the Leases or the Rents, nor any part thereof, nor accept prepayments or installments of same before they become due, except that Assignor may accept security deposits and one month's Rent, in advance, from tenants.

5.4. Additional Acts: Assignor will perform all reasonably necessary further acts to authorize payment of the Rents to Assignee, and will execute and deliver to Assignee any and all further instruments and perform all reasonably necessary acts reasonably requested by Assignee to effectuate the purposes of this Assignment.

5.5. Notice: Assignor shall promptly give Assignee written notice of any default or proposed default under any Lease, and, in any event, shall give such notice in sufficient time to enable Assignee to cure the same prior to the tenant thereof having a right to terminate by reason of such default. Any new Lease shall contain a provision requiring the tenant thereunder to notify Assignee of any default by the landlord thereunder and granting Assignee an opportunity, for thirty (30) days after such notice (such time to run concurrently with any cure period of Assignor, where possible), to cure such default prior to any right accruing to the tenant to terminate such Lease; provided, nothing herein shall be deemed to impose upon Assignee any obligation to cure said default, nor any liability for not taking action to cure the same.

5.6. New Leases or Modifications: Assignor agrees not to enter into any Lease without the prior written consent of Assignee. Assignor agrees not to terminate, default under, add to or modify or amend any Lease, nor give or effect any waiver or concession thereof or thereunder, nor cancel or release any guarantor thereon, in whole or part, nor exercise any option under any Lease, nor, except to the extent provided for in Leases existing as of the date hereof, consent to the assignment of any Lease, or the subletting of the space covered thereby, nor allow any Lease to be merged with any other interest, nor accept the surrender of any Lease, or any of the Property covered thereby, without the prior written consent of Assignee.

5.7. Surrender of Possession: Upon the occurrence of an Event of Default, upon demand, Assignor shall surrender possession of the Property to Assignee. Upon entry, Assignee may exercise all or any of the rights and powers granted it hereby, but no such entry by or on behalf of Assignee shall be deemed to constitute Assignee a "mortgagee in possession".

5.8. Copies: Within ten (10) days of Assignor's receipt of duly executed and delivered copies of the Leases, Assignor shall deliver true and complete copies of same to Assignee, and shall also within ten (10) days of receipt of same, deliver true and complete copies of all executed amendments, renewals, replacements, modifications, additions and extensions of the Leases. Assignor shall also deliver to Assignee, within ten (10) days of receipt of same, true and complete copies of all notices received from a tenant or occupant of the Property that may materially affect a Lease.

5.9. Management and Enforcement: Assignor agrees to manage the Property in accordance with sound business practices, including enforcing the Leases and the obligations of any guarantor thereunder, to do or cause to be done all of the landlord's obligations thereunder, to do or cause to be done any specific action reasonably required by Assignee with respect thereto in furtherance of this

Assignment, and not to do nor cause to be done anything to impair the value of the Leases, or the Property, as security for the Indebtedness.

ARTICLE 6

MISCELLANEOUS

6.1. Claims Under Lease: Assignee shall be deemed to be the creditor of all tenants under the Leases with respect to all Assignor's claims against such tenants for damages, and under the Leases; and Assignee shall have the right (but not the obligation) if an Event of Default hereunder exists to file said damage claim or claims under the Leases in all actions or proceedings involving or affecting such tenants, including actions or proceedings involving an assignment for the benefit of creditors, bankruptcy, reorganization, insolvency, dissolution and receivership. Assignor hereby assigns to Assignee all such claims for damages and claims under the Leases and all money received as a result thereof. Assignor hereby irrevocably appoints Assignee its attorney-in-fact with full power of substitution, and with full power to make and file such claims, to appear in any such action or proceedings, and to collect all money resulting therefrom or awarded therein.

6.2. Assignee's Obligation: Notwithstanding any legal presumption or implication to the contrary, Assignee shall not be obligated by reason of its acceptance of this Assignment, nor by the collection of any Rent, to perform any obligation of Assignor as landlord under the Leases, nor shall Assignee be responsible for any act committed by Assignor or any breach or failure to perform by Assignor with respect to a Lease; and Assignor hereby agrees to indemnify Assignee and save it harmless from and against all losses, liabilities, damages and expenses, including reasonable attorneys' fees, resulting from all claims made against Assignee which arise out of, from or in connection with the Leases, the Property, or this Assignment; provided, however, that the foregoing indemnity shall not apply with respect to any negligence or willful misconduct of Assignee, its agents or employees occurring after Assignee obtains possession of the Property. However, Assignee may, at its sole option, and without further releasing Assignor from any obligation hereunder, or under the Leases, discharge any obligation which Assignor fails to discharge, including defending any legal action; and Assignor agrees to immediately pay, upon demand, all sums expended by Assignee in connection therewith, including Assignee's costs and expenses, including reasonable attorneys' fees, together with interest thereon at the Default Interest Rate as defined in the Mortgage and the amount of same shall be added to the Indebtedness. Neither the acceptance of this Assignment, nor the collection of Rent or other sums due or to become due under the Leases, shall constitute a waiver of any right of Assignee under the Note, Mortgage or any other document or instrument pledging or granting a security instrument in property to secure payment of the Note and the performance of Assignor's obligations thereunder and under the Mortgage.

6.3. Notice of Default. Assignor hereby authorizes Assignee to give written notice of this Assignment at any time to the tenants under the Leases. Assignor hereby authorizes and directs any tenant, occupant or user of the Property, or any part thereof, upon receipt from Assignee of written notice to the effect that Assignee is then the holder of the Note and that an Event of Default exists thereunder, or under the Mortgage, to perform this Assignment in accordance with the terms hereof for the benefit of Assignee, including paying Rent directly to Assignee if such a demand is made.

6.4. Assignee's Liability: Assignee's obligation as to any Rent actually collected shall be discharged by application of such Rent for the purposes described in this Assignment. Assignee shall not be liable for uncollected Rents, nor for any claim for damages or setoff, arising out of Assignee's management of the Property, other than for damages arising from Assignee's gross negligence or willful misconduct. Assignee shall not be liable to any tenant for the return of any security deposit made under a Lease, unless Assignee shall actually have received such security deposit from Assignor or such tenant.

6.5. Waiver: The failure on the part of Assignee to exercise any right hereunder shall not operate as a waiver thereof. The waiver of any provision herein by Assignee, or the consent to any departure from any such provision, including the exercise, from time to time, of any right hereunder by Assignee after the occurrence of an Event of Default and the waiver or curing of same, shall not be deemed a waiver of that or any other right at that time, nor a waiver of that or any other right subsequent thereto, but shall be applicable only in the specific instance or for the purpose for which such waiver or consent was given.

6.6. Receiver in Foreclosure: In the event that a receiver shall be appointed in a foreclosure action on the Mortgage, the rights and powers granted Assignee hereby shall inure to the benefit of such receiver; and shall be construed to be in addition to all rights and powers given receivers under the law of the jurisdiction where the Property is located.

6.7. Taking of Possession and Collection: The taking of possession and collection of Rent by Assignee pursuant hereto shall not be construed to be an affirmation of any Lease, and Assignee, or a purchaser at any foreclosure sale of the Property, may, if otherwise entitled to do so, exercise the right to terminate any Lease as though such taking of possession and collection of Rent had not occurred.

6.8. Extension of Indebtedness: If, at any time or times, the time of payment of the Indebtedness, or any part thereof, is extended, if the Note is renewed, extended, modified or replaced, or if any security for the Note is released, Assignor and all other persons now or hereafter liable on the Indebtedness, or interested in the Property, shall be deemed to have consented to such extension, renewal, modification, replacement or release, and their liability thereon, the lien hereof, and the rights created hereby shall continue in full force and effect.

6.9. Severability: If any obligation, term, or condition of this Assignment is deemed illegal or unenforceable, all other obligations, terms and conditions, and the application thereof to all persons and circumstances subject hereto, shall remain unaffected to the extent permitted by law; and if application of any obligation, term or condition to any person or circumstance is deemed illegal or unenforceable, the application of such obligation, term or condition to any other person or circumstance shall remain unaffected to the extent permitted by law.

6.10. Recording Information: Assignee is authorized to insert in executed copies of this Assignment and in any Uniform Commercial Code financing statement executed in connection herewith or with the Indebtedness, dates, Recorder's File and Instrument Numbers, and other recording information omitted therefrom, notwithstanding the fact that the same may not become available until after the date of the execution of this Assignment; and the Recorder of the County in which the Property is located is authorized to enter a reference to the execution, existence and filing of this Assignment upon its records.

6.11. Subordination: Assignee may consent to the subordination of the Leases to the Mortgage and this Assignment without any further consent being necessary or required on the part of Assignor.

6.12. Assignability: This Assignment shall be binding upon Assignor and its successors and assigns, including any subsequent owner of the Property, and shall inure to the benefit of Assignee and its successors and assigns, including any assignee of the Note, the Mortgage and other Loan Documents. In furtherance and not in limitation of the foregoing, Assignee, as the holder of the Mortgage, shall have the right to assign all of Assignee's right, title and interest in and to the Leases to any subsequent holder of the Mortgage, and also to assign the same to any person acquiring title to the Property through foreclosure or otherwise.

6.13. Headings: Captions and titles used in this Assignment have been inserted for convenience only, and shall not be deemed or construed to have any effect upon the scope or meaning of any of the terms, obligations or conditions of this Assignment.

6.14. Validity: The affidavit, certificate, letter or statement of any officer, agent or attorney of Assignee showing that any part of the Indebtedness remains unpaid shall be conclusive evidence of the validity, effectiveness and continuing force of this Assignment, and any person may and is hereby authorized to rely thereon.

6.15. Discharge: This Assignment is given for the purpose of securing Assignor's performance of all its obligations under the Note, the Mortgage and other Loan Documents; and accordingly, upon payment in full of the Indebtedness and the discharge of all Assignor's other obligations under the Note, the Mortgage and other Loan Documents, as evidenced by the recording of an instrument formally satisfying the Mortgage without the consequent recording of another mortgage covering the Property in favor of Assignee, this Assignment shall automatically become null and void and Assignee shall execute in recordable form and deliver an appropriate release of its rights hereunder.

6.16. Third Party Reliance: Any third party may rely upon this Assignment upon presentation to them of a copy or facsimile thereof, certified to be an exact, complete and true copy by an attorney duly admitted to practice law in the jurisdiction where the Property is located; and no revocation or termination hereof, by operation of law or otherwise, shall be effective as to such third party, and such third party may rely fully and completely hereon, unless and until written notice of such revocation or termination is actually received by such third party from Assignee.

6.17. Waiver by Assignee: This Assignment may not be waived, modified, altered or amended in any manner or form, except by an agreement, in writing, executed by a duly authorized officer of Assignee, which writing shall make specific reference to this Assignment.

6.18. Gender and Number: Relative words and any reference to Assignor and Assignee shall be read in the singular or plural when appropriate, and words of masculine, feminine or neuter import shall be read as if written in the masculine, feminine or neuter when appropriate. If more than one party joins in the execution hereof, the covenants and agreements contained herein shall be the joint and several obligation of each of them.

6.19. Notices: All notices or other communications required or permitted hereunder shall be (a) in writing and shall be deemed to be given when either (i) delivered to person, (ii) three business days after deposit in a regularly maintained receptacle of the United States mail as registered or certified mail, postage prepaid, (iii) when received if sent by private courier service or (iv) on the day on which the party to whom such notice is addressed refuses delivery by mail or by private courier service, and (b) addressed as follows:

If to Assignee: Archer Bank
4970 South Archer Avenue
Chicago, Illinois 60632
Attention: Michael J. Nisbet

With copy to: Michael S. Roberts
Connelly Roberts & McGivney LLC
One North Franklin
Suite 1200
Chicago, Illinois 60606

If to Assignor: Teresita Marsal-Avila
2500 South Drake
Chicago, Illinois 60623

6.20. Defaults: The following shall be an Event of Default hereunder: (i) failure of the Assignor to make any payment due hereunder within five (5) days of when due or (ii) failure of the Assignor to cure any other default hereunder within thirty (30) days of written notice thereof.

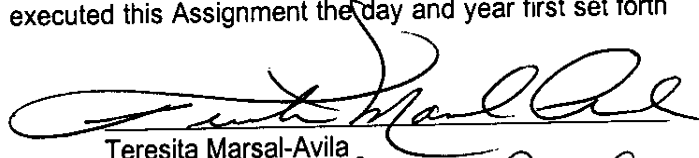
6.21. No Extension of Indebtedness: Nothing contained in this Assignment shall operate as or be deemed to be an extension of time for payment of the Indebtedness, or in any way affect any of Assignee's rights, powers or remedies to enforce payment of the Indebtedness, or any part thereof.

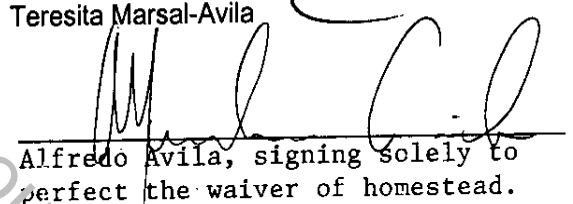
6.22. Joint and Several Liability: The covenants, agreements, representations and warranties contained herein shall constitute the joint and several covenants, agreements, representations and warranties of the Assignor except as otherwise specifically provided herein.

6.23. Cumulative Remedies and Rights: All rights and remedies of Assignee hereunder are cumulative.

6.24. Successors and Assigns: This Assignment shall be binding upon Assignor, its successors and assigns, and shall inure to the benefit of Assignee, its successors and assigns.

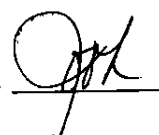
IN WITNESS WHEREOF, Assignor has executed this Assignment the day and year first set forth above.

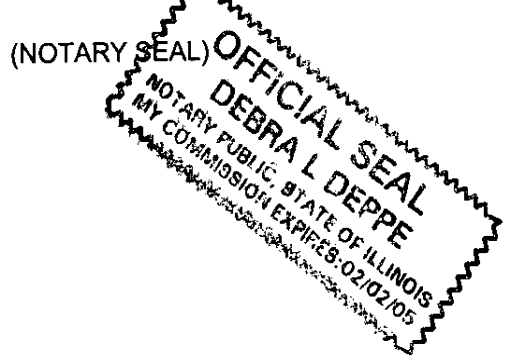

Teresita Marsal-Avila


Alfredo Avila, signing solely to perfect the waiver of homestead.

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I HEREBY CERTIFY that on this 14th day of July, 2002, before me personally appeared Teresita Marsal-Avila, to me known to be the same person who signed the foregoing instrument as her free act and deed for the use and purpose therein mentioned, and that the said instrument is the act and deed of her.

WITNESS my signature and official seal at  in the County of Cook and State of Illinois, the day and year last aforesaid.



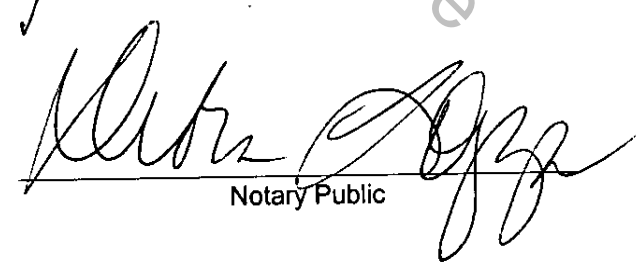

Notary Public

EXHIBIT A

2500 South Drake
Chicago, IL 60623

LOT 46 (EXCEPT THE SOUTH 10 FEET THEREOF) IN BLOCK 10 IN KING, SCOTT & WILSON'S
ADDITION TO CHICAGO IN SECTION 26, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD
PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 16-26-224-038-0000

Property of Cook County Clerk's Office