



02030605 - CC - ST6 MRS (2)

**ASSIGNMENT OF LEASES AND RENTS**

**KNOW ALL MEN BY THESE PRESENTS, THAT:**

NORTH/HALSTED, LLC, an Illinois limited liability company ("Mortgagor") has executed a Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing of an even date herewith ("Mortgage"), to NATIONAL CITY BANK OF MICHIGAN/ILLINOIS ("Mortgagee"), conveying the real estate described in Exhibit "A" attached hereto and made a part hereof ("Property"), and which Mortgage was executed and delivered in accordance with the terms of the Acquisition and Construction Loan Agreement of an even date herewith by and between Mortgagor and Mortgagee ("Loan Agreement") in order to secure (i) an indebtedness to Mortgagee evidenced by a Note of an even date herewith ("Note") executed by Mortgagor in the principal sum of EIGHTEEN MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS (\$18,250,000) and (ii) the obligations of Mortgagor under the Loan Agreement and the Loan Documents (as defined in the Loan Agreement) and the Mortgagee is the legal owner and holder of the Loan Documents and the Note; and

Mortgagor is desirous of further securing the indebtedness now due and to become due to the Mortgagee secured by the Mortgage or otherwise.

**NOW, THEREFORE,** the Mortgagor, for and in consideration of these presents, and the mutual agreements herein contained, and as further and additional security to the Mortgagee, and in consideration of the sum of TEN DOLLARS (\$10.00) to the Mortgagor in hand paid, the receipt of which is hereby acknowledged, does hereby:

- LEASES ASSIGNED.** Sell, assign and transfer unto the Mortgagee all the leases and rents, issues and profits now due and which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Property including any improvements thereon, or any part thereof, which may be made or agreed to by the Mortgagor under the powers herein granted, it being the intention hereby to establish an absolute transfer and assignment of all the said leases and agreements, and all the avails thereof, to the Mortgagee.

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2. **AUTHORITY OF MORTGAGEE.** From and after the occurrence of an Event of Default (as defined in the Loan Agreement), the Mortgagor does hereby authorize irrevocably the Mortgagee (with or without taking possession of the aforesaid Property), to rent, lease or let all or any portion of the Property to any party or parties at such rental and upon such term, in its discretion as it may determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due, or that may hereafter become due under each and all of the leases and agreements, written or verbal, or other tenancy existing or which may hereafter exist on the Property, with the same rights and powers and subject to the same immunities, exoneration of liability, and rights of recourse and indemnity as the Mortgagee would have upon taking possession of the Property pursuant to the provisions hereinafter set forth.

3. **MORTGAGOR'S REPRESENTATIONS.** The Mortgagor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Property for more than one installment in advance and that the payment of none of the rents to accrue for any portion of the Property has been or will be waived, released, reduced or discounted or otherwise discharged or compromised by the Mortgagor except in the ordinary and usual course of Mortgagor's business. The Mortgagor waives any right of set-off against any person in possession of any portion of the Property. The Mortgagor agrees that it will not assign any of the rents or profits except to the purchaser or grantee of the Property, provided any such assignment to a purchaser or grantee shall be subject and subordinate to rights herein granted to Mortgagee.

4. **WAIVER OF MORTGAGEE'S LIABILITIES.** Nothing herein contained shall be construed as constituting the Mortgagee a "mortgagee in possession" in the absence of the taking of actual possession of the Property by the Mortgagee pursuant to the provisions hereinafter contained. In the exercise of the powers herein granted the Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being expressly waived and released by the Mortgagor.

5. **ADDITIONAL LEASES.** The Mortgagor further agrees to assign and transfer to the Mortgagee all future leases upon all or any part of the Property and to execute and deliver, immediately upon the request of the Mortgagee, all such further assurances and assignments in the Property as the Mortgagee shall from time to time require.

6. **ENFORCEABILITY.** Although it is the intention of the parties that this Assignment of Leases and Rents shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that the Mortgagee shall not exercise any of the rights and powers conferred upon it herein until and unless Mortgagor shall:

- (a) Default in making payment of any installment of principal or interest on the Note when due, or any payment, when due, of any other sum secured by the Mortgage and said default continues for five (5) days after the due date thereof; or,

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- (b) Subject to the provisions of the Loan Agreement, Default in the performance of any other terms, covenants or agreements hereunder or in the performance of any of the other terms, covenants, or agreements set forth in the Mortgage, Note or any other agreements given in connection with this transaction, and said default continues for thirty (30) days after written notice to Mortgagee.

Nothing herein contained shall be deemed to affect or impair any rights which the Mortgagee may have under the Note and Mortgage or any other instrument herein mentioned.

7. **RIGHTS ON FORECLOSURE.** In any case in which, under the provisions of the Mortgage, the Mortgagee has a right to institute foreclosure proceedings, whether before or after institution of legal proceedings to foreclose a lien thereof, or before or after sale thereunder, upon demand of the Mortgagee, subject to the rights of tenants in possession of the Property, the Mortgagee shall be entitled to take actual possession of the Property or any part thereof personally, or by its agents or attorneys, and Mortgagee in its discretion may, with process of law, enter upon and take and maintain possession of any or any part of the Property, together with all documents, books, records, papers and accounts of the Mortgagor, or then owner of the Property relating thereto, and may exclude the Mortgagor, its agents or servants, wholly therefrom and may, as attorney-in-fact of the Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Property and conduct the business, if any, thereof either personally or by its agents, with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of security of the avails, rents, issues and profits of the Property, including actions for the recovery of rent, and actions of unlawful detainer, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any time and all times hereafter, without notice to the Mortgagor (other than such notices as are otherwise required herein), and with full power to cancel or terminate any lease or sublease for any cause or on any ground which would entitle the Mortgagor to cancel the same, to elect to disaffirm any lease or sublease made subsequent to the Mortgage or subordinated to the lien thereof, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Property that may seem judicious, in its discretion, insure and reinsure the same for all risks, incidental to Mortgagee's possession, operation and management thereof and to receive all such avails, rents, issues and profits.

8. **UNDERTAKINGS BY MORTGAGOR.** The Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases or rental agreements relating to the Property, and the Mortgagor shall and does hereby agree to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under any leases or under or by reason of the assignment thereof and of or from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases other than resulting from Mortgagee's gross negligence or willful misconduct. Should the Mortgagee incur any such

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liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the Mortgagor agrees to reimburse the Mortgagee for the amount thereof, including costs, expenses and reasonable attorneys' fees, immediately upon demand.

9. **APPLICATION OF RECEIPTS.** The Mortgagee, in the exercise of the rights and powers conferred upon it by this Assignment of Leases and Rents, shall have full power to use and apply the avails, rents, issues and profits of the Property to the payment of or on account of the following, in such order as the Mortgagee may determine:

- (a) To the payment of the operating expenses of the Property, including the cost of management and leasing thereof (which shall include reasonable compensation to the Mortgagee and its agent or agents, if management be delegated to an agent or agents, and it shall also include lease commissions and other compensation and expenses for seeking and procuring tenants and entering into leases), establish claim for damages, if any, and premiums on insurance hereinabove authorized;
- (b) To the payment of taxes and special assessments now due or which may hereafter become due on the Property;
- (c) To the payment of all repairs, decorating, renewals, replacements, alterations, additions or betterments and improvements of the Property, including the cost from time to time of placing the Property in such condition as will, in the judgment of the Mortgagee, make it readily rentable;
- (d) To the payment of the Note or other indebtedness secured by the Mortgage or any deficiency which may result from any foreclosure sale.

From and after the occurrence of a Default, the Mortgagor does further specifically authorize and instruct each and every present and future lessee or tenant of the whole or any part of the Property to pay all unpaid rental agreed upon in any tenancy to the Mortgagee upon receipt of demand from Mortgagee to so pay the same.

10. **CUMULATIVE REMEDY.** It is understood and agreed that the provisions set forth in this Assignment of Leases and Rents shall be deemed to be a special remedy given to the Mortgagee, and shall not be deemed exclusive of any of the remedies granted in the above described Mortgage, but shall be deemed an additional remedy and shall be cumulative with the remedies therein granted.

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## 11. GENERAL PROVISIONS.

- (a) Whenever the word "Mortgagor" is mentioned herein, it is hereby understood that the same includes and shall be binding upon successors and assigns of the Mortgagor, and any party or parties holding title to the Property by, through or under the Mortgagor. All of the rights, powers, privileges and immunities herein granted and assigned to Mortgagee shall also inure to its successors and assigns, including all holders, from time to time, of the Note.
- (b) It is expressly understood that no judgment or decree which may be entered on the Note or any other debt secured or intended to be secured by the Mortgage shall operate to abrogate or lessen the effect of this instrument, but that the same shall continue in full force and effect until the payment and discharge of any and all indebtedness secured by the Mortgage, in whatever form the said indebtedness may be and until the indebtedness secured by the Mortgage shall have been paid in full and all bills incurred by virtue of the authority contained herein have been fully paid out of the rents, issues and profits of the Property, or by the Mortgagor, or until such time as this instrument may be voluntarily released. This instrument shall also remain in full force and effect during the pendency of any foreclosure proceedings, both before and after sale, until the issuance of a deed pursuant to a foreclosure decree, unless indebtedness secured by the Mortgage is fully satisfied before the expiration of any period of redemption.
- (c) This instrument shall be assignable by Mortgagee, and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective executors, administrators, legal representatives, successors and assigns of each of the parties hereto.
- (d) The failure of Mortgagee, or any of its agents or attorneys, successors or assigns, to avail itself or themselves of any of the terms, provisions, and conditions of this Assignment of Leases and Rents for any period of time, shall not be construed or deemed to be a waiver of any of its, his or their rights under the terms hereof, but Mortgagee, or its agents or attorneys, successors or assigns shall have full right, power and authority to enforce this Assignment of Leases and Rents, or any of the terms, provisions, or conditions hereof, and exercise the powers hereunder, at any time or times that shall be deemed fit.
- (e) The payment of the Note, any other indebtedness, and release of the Mortgage securing the Note and any other indebtedness shall ipso facto operate as a release of this instrument.

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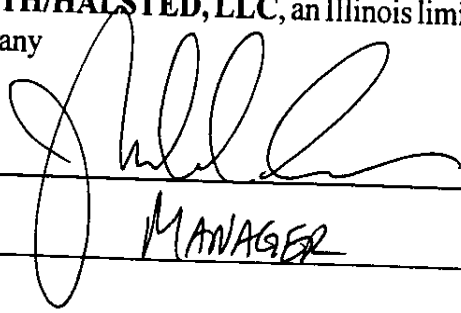
IN WITNESS WHEREOF, this Assignment of Leases and Rents has been executed in favor of Mortgagee as of the 8<sup>th</sup> day of ~~September~~ October, 2002.

**MORTGAGOR:**

**NORTH/HALSTED, LLC**, an Illinois limited liability company

By: \_\_\_\_\_

Its: \_\_\_\_\_



MANAGER

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**This instrument was prepared by and after recording return to:**

Andrew M. Sachs, Esq.  
ROBBINS, SALOMON & PATT, LTD.  
25 East Washington Street  
Suite 1000  
Chicago, Illinois 60602  
(312) 782-9000

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STATE OF Illinois )  
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COUNTY OF Cook )

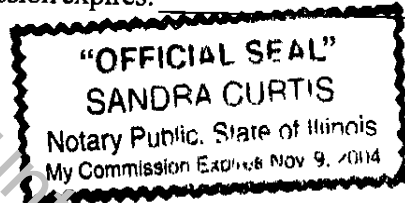
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I, Sandra Curtis, a Notary Public, in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY that J. Michael Drew, Manager of NORTH/HALSTED, LLC, an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such manager appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 30<sup>th</sup> day of September, 2002.

Sandra Curtis  
NOTARY PUBLIC

My commission expires:



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EXHIBIT A

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## LEGAL DESCRIPTION

A TRACT OF LAND SITUATED IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN; BOUNDED ON THE WEST BY THE EAST LINE OF NORTH HALSTED STREET; ON THE NORTH BY THE SOUTH LINE OF WEST NORTH AVENUE; ON THE SOUTH WEST BY THE NORTHEASTERLY LINE OF NORTH CLYBOURN AVENUE; ON THE SOUTH EAST BY THE NORTHWESTERLY LINE OF WEST WEED STREET AND ON THE EAST BY THE WEST AND SOUTHWESTERLY LINE OF THE RIGHT OF WAY OF THE CHICAGO TRANSIT AUTHORITY AND THE CONNECTION OF SAID RIGHT OF WAY LINE ACROSS THE EAST WEST ALLEY SOUTH OF AND PARALLEL TO WEST NORTH AVENUE, SAID TRACT INCLUDES ALL ALLEYS WITHIN ITS BOUNDARIES TOGETHER WITH THE FOLLOWING DESCRIBED LOTS: LOTS 1 THROUGH 6 IN THE SUBDIVISION OF LOT 157 AND LOTS 6 THROUGH 13 (EXCEPT THE EAST 16 FEET OF SAID LOT 6) IN THE SUBDIVISION OF LOT 158, LOT 12 AND LOTS 17 THROUGH 23 IN THE SUBDIVISION OF LOT 156; LOTS 1 AND 2 IN THE SUBDIVISION OF SUB-LOTS 14, 15 AND 16 IN THE SUBDIVISION OF LOT 156; LOT 7 (EXCEPT THAT PART CONVEYED TO THE NORTHWEST ELEVATED RAILROAD BY DEED RECORDED MAY 16, 1913 AS DOCUMENT 5186265) IN THE SUBDIVISION OF LOT 24 IN THE SUBDIVISION OF LOTS 156, 157, 158 AND SUB-LOT 8 OF LOT 159 IN BUTTERFIELD'S ADDITION TO CHICAGO IN THE NORTH WEST 1/4 SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 2, 1863 IN BOOK 162 OF MAPS AT PAGE 11 AS DOCUMENT 70119. (EXCEPT THEREFROM THE NORTH 14 FEET OF THE EAST AND WEST 18 FOOT VACATED ALLEY WHICH ACCRUES TO LOTS 4 AND 5 AND THE EAST 16 FEET OF LOT 6 IN THE SUBDIVISION OF LOT 158, AND THAT PART OF SAID EAST AND WEST 18 FOOT VACATED ALLEY AND THAT PART OF THE 18 FOOT VACATED ALLEY EXTENDING NORTHEASTERLY AND SOUTHWESTERLY WHICH ACCRUES TO THAT PART OF LOT 2 IN THE SUBDIVISION OF LOT 24 IN THE SUBDIVISION OF LOT 156 CONVEYED TO THE NORTH WEST ELEVATED RAILROAD BY DEED RECORDED MAY 16, 1913 AS DOCUMENT 5186265 IN COOK COUNTY, ILLINOIS.

NOTE: THE AFORESAID SUBDIVISION RECORDED SEPTEMBER 2, 1863 WAS MADE BY MARY P. LEE BY JOHN V. LE MOYNE, HER ATTORNEY IN FACT, JANE A. JOHNSTON AND WILLIAM S. JOHNSTON, HER HUSBAND; WILLIAM B. OGDEN, LEVI ROSENFELD, JACOB ROSENFELD AND JOSEPH V. TOWNE. LOT 156 WAS ORIGINALLY SUBDIVIDED AS PART OF C. J. HULL'S SUBDIVISION OF LOTS 152, 155 AND 156. ALSO PART OF LOTS 153 AND 154 IN BUTTERFIELD'S ADDITION TO CHICAGO AFORESAID, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 19, 1858 AS DOCUMENT 97211. THE DIFFERENCE BETWEEN THE TWO SUBDIVISIONS OF LOT 156 IS THAT THE LATER SUBDIVISION DEDICATED PORTIONS OF LOTS FOR EXTENSION OF THE ALLEY.

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Common address: 755 West North Avenue, Chicago, Illinois 60614

P.I.N.

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