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Cook County Recorder 44.00



2 of 2 HYNES # 80-94-301-D1

Property of Cook County Clerk's Office

Record and Return to:

Rebecca Lidskin  
Piper Rudnick  
203 N. LaSalle Street  
Chicago, Illinois 60601

**ASSIGNMENT OF  
LEASES AND RENTS  
#75344**

A. **THIS ASSIGNMENT OF LEASES AND RENTS** (as the same may from time to time hereafter be modified, supplemented or amended, this "Assignment of Leases"), made as of February 19, 2003 by **HODGKINS PROPERTY, L.L.C.**, an Illinois limited liability company, an Illinois limited liability company, having a post office address at 7440 Santa Fe Drive, Hodgkins, Illinois 60525, as "Borrower" ("Borrower" to be construed as "Borrowers" if the context so requires), to **PRINCIPAL LIFE INSURANCE COMPANY**, an Iowa corporation having a principal place of business and post office address at 801 Grand Avenue, Des Moines, Iowa 50392-1450, as "Lender".

**WITNESSETH THAT:**

B. **WHEREAS**, Borrower, is justly indebted to Lender for money borrowed (the "Loan") in the original principal sum of Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000.00) ("Loan Amount"). To evidence and secure the Loan, Borrower has made and delivered to Lender a secured promissory note (as may be modified, amended, supplemented, extended or consolidated in writing, and any note(s) issued in exchange therefore or replacement thereof, the "Note") in the Loan Amount payable as provided for in the Note and finally maturing (absent any acceleration of maturity as therein provided) on March 1, 2013, with interest as therein expressed, and has executed and delivered a "Mortgage" (it being agreed that "Mortgage" as hereinafter used shall be

**BOX 333-CT**

construed to mean "mortgage" or "deed of trust" or "trust deed" or "deed to secure debt" as the context so requires) bearing the aforesaid date to secure the Note and creating a lien on Borrower's interest in certain real estate in the county of Cook, state of Illinois, more particularly described in Exhibit A attached hereto and made a part hereof, including but not limited to the Improvements now or hereafter thereon and the easements, rights and appurtenances thereunto belonging, all as more particularly described in the Mortgage and hereinafter called the "Premises"; and

C. **WHEREAS**, Borrower is the lessor under those certain written leases of the Premises listed in Exhibit B attached hereto and made a part hereof, and Borrower may hereafter make other leases of the Premises or parts thereof; and

D. **WHEREAS**, Lender has required the assignment hereafter made as a condition to making the Loan;

E. **NOW, THEREFORE**, Borrower, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby absolutely and directly (and not merely collaterally) assign, bargain, sell, transfer, convey, set over and deliver unto Lender, all rights of the lessor under the above described lease(s) and all other leases, tenancies, rental arrangements, subleases, and guarantees of the performance or obligations of any tenants thereunder affecting the Premises, or any part thereof, now existing or which may be executed at any time in the future during the life of this Assignment of Leases and all amendments, extensions and renewals of said leases, subleases, and guarantees and any of them, all of which are hereinafter called the "Leases," and all rents or other income or payments, regardless of type or source of payment (including but not limited to common area maintenance charges, lease termination payments, purchase option payments, refunds of any type, prepayment of rents, settlements of litigation or settlements of past due rents) which may now or hereafter be or become due or owing under the Leases, and any of them, or on account of the use of the Premises, all of which are hereinafter called the "Rents". It is intended hereby to establish a present and complete transfer, and direct and absolute assignment of all the Leases and all rights of the lessor thereunder and all the Rents unto Lender, with the right, but without the obligation, to collect all of said Rents, which may become due during the life of this Assignment of Leases. Borrower agrees to deposit with Lender copies of all leases of all or any portion of the Premises. Capitalized terms used herein and not otherwise defined shall have those meanings given to them in the Loan Documents.

1. Borrower hereby appoints Lender the true and lawful attorney of Borrower with full power of substitution and with power for it and in its name, place and stead, to demand, collect, give receipts and releases for any and all Rents herein assigned which may be or become due and payable by the lessees and other occupants of the Premises, and at its discretion to file any claim or take any other action or proceeding and make any settlement of any claims, either in its own name or in the name of Borrower or otherwise, which Lender may deem necessary or desirable in order to collect and enforce the payment of any and all Rents. Lessees of the Premises, or any part thereof, are hereby expressly authorized and directed to pay all Rents herein assigned to Lender or such nominee as Lender may designate in writing delivered to and received by such lessees who are

expressly relieved of any and all duty, liability or obligation to Borrower in respect of all payments so made.

2. Lender is hereby vested with full power to use all measures, legal and equitable, whether in person, by agent or by a receiver deemed by it necessary or proper to enforce this Assignment of Leases, including the right to enter upon the Premises, or any part thereof and take possession thereof forthwith to effect the cure of any default on the part of Borrower as lessor in any of the Leases or with taking possession of the Premises, to collect the Rents assigned hereunder all without regard to the adequacy of any security for the Indebtedness secured by the Loan Documents.

Borrower hereby grants full power and authority to Lender to exercise all rights, privileges and powers herein granted at any and all times hereafter, without notice to Borrower with full power to use and apply all of the Rents assigned hereunder as specified in the Loan Documents.

Notwithstanding any provision herein to the contrary, prior to an Event of Default, Lender hereby grants to Borrower the license to collect all Rents, as the same become due and payable, but in any event for not more than one calendar month in advance, and to enforce all provisions contained in the Leases. Borrower shall render such accounts of collections as Lender may require. The license herein granted to Borrower shall terminate immediately and automatically, without further action or documentation, upon an Event of Default; and upon written notice of Borrower's Event of Default at any time hereafter given by Lender to any lessee, all Rents thereafter payable and all agreements and covenants thereafter to be performed by any such lessee shall be paid and performed by such lessee directly to Lender in the same manner as if the above license had not been granted, without prosecution of any legal or equitable remedies under the Mortgage. Any lessee of the Premises or any part thereof is authorized and directed to pay to Borrower any Rent herein assigned currently for not more than one calendar month in advance, and any payment so made, prior to receipt by such lessee of the aforementioned notice shall constitute a full acquittance to lessee therefore.

3. Lender shall be under no obligation to enforce any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of the lessor under any of the Leases and does not assume any of the liabilities in connection with or arising out of the covenants and agreements of Borrower in the Leases; and Borrower covenants and agrees that it will faithfully perform all of the obligations imposed under any and all of the Leases. Except to the extent that the same is caused solely as a result of Lender's gross negligence or willful misconduct, should Lender incur any liability, loss or damage under the Leases or under or by reason of this Assignment of Leases, or in the defense of any claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms,

covenants or agreements contained in any of the Leases, the amount thereof, including costs, expenses and reasonable attorneys' fees and costs, including reasonable attorneys' fees and costs on appeal, shall be added to the Indebtedness secured by the Mortgage.

This Assignment of Leases shall not operate to place responsibility for the control, care, management or repair of the Premises, or parts thereof, upon Lender nor shall it operate to make Lender liable for the carrying out of any of the terms and conditions of any of the Leases, or for any waste of the Premises by the lessee under any of the Leases or any other party, or for any dangerous or defective condition of the Premises or for any negligence in the management, upkeep, repair or control thereof resulting in loss or injury or death to any lessee, licensee, employee or stranger.

4. Provided there has been no Event of Default under the Loan Documents, any amounts collected hereunder by Lender which are in excess of those applied to pay in full the aforesaid liabilities and Indebtedness at the time due shall be promptly paid to Borrower; provided, however, that this provision shall not be applicable to any payments under the Leases in excess of one calendar month in advance, which may be retained by Lender pursuant to the provisions hereof.
5. Borrower hereby represents and warrants to Lender that except for the sublessor's interest in subleases, if any, it is the sole owner of the entire lessor's interest in each of the Leases; that the Leases are not in default and are valid and enforceable and have not been altered, modified or amended in any manner whatsoever except as herein expressly mentioned; that all conditions precedent to the effectiveness of the Leases have been satisfied; that Borrower has not heretofore transferred or assigned the Leases or any of the rents thereunder or any right or interest therein, nor has it collected in advance or anticipated any of the Rents thereunder; and Borrower represents and warrants that it is not indebted to the lessees under the Leases in any manner whatsoever so as to give rise to any right of setoff against, or reduction of, the Rents payable under the Leases.
6. Borrower covenants not to alter, modify, amend or change the terms of any of the Leases or give any consent or permission or exercise any option required or permitted by the terms thereof or waive any obligation required to be performed by any lessee or execute, cancel or terminate any of the Leases or accept a surrender thereof or enter into leases after the date hereof without the prior written consent of Lender, and Borrower will not make any further transfer or assignment thereof, or attempt to pledge, assign or encumber any of the Leases or Rents or other amounts payable thereunder, or convey or transfer or suffer a conveyance or transfer of the Premises or of any interest therein so as to effect, directly or indirectly, a merger of the estates and rights of, or a termination or diminution of the obligations of, any lessee thereunder. Borrower further covenants to deliver to Lender, promptly upon receipt thereof, copies of any and all demands, claims and

notices of default received by Borrower from any lessee under any of the Leases assigned herein or of any default thereunder by Lessee. Borrower shall keep and perform all terms, conditions and covenants required to be performed by lessor under the Leases. If requested by Lender, Borrower shall enforce the Leases and all remedies available to Borrower against the lessees thereunder in case of default under the Leases by lessees.

7. Upon payment in full of the principal sum, interest and other Indebtedness secured hereby, and by any other documents which secure the Note, this Assignment of Leases shall be and become null and void and Lender shall record a release of same; otherwise, it shall remain in full force and effect as herein provided and, with the covenants, warranties and power of attorney herein contained, shall inure to the benefit of the heirs, successors and assigns of Lender, and shall be binding upon Borrower, and its heirs and permitted successors and assigns.
8. Following the occurrence of an Event of Default, Lender may as attorney-in-fact or agent of Borrower or in its own name as Lender and under the powers granted herein and in the Mortgage extend, modify, or terminate (to the extent permitted by applicable law or the terms of the specific lease) any then existing leases or subleases and make new leases, which extensions, modifications or new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the Maturity Date and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Borrower and all persons whose interests in the Premises are subject to the lien of the Mortgage and shall be binding also upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Indebtedness secured by the Mortgage, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser.
9. The limitation of recourse liability provisions of paragraph 9 of the Note are fully incorporated herein by reference as if the same were specifically stated here.
10. It is understood and agreed that this Assignment of Leases shall become effective concurrently with the Note and the Mortgage. This Assignment of Leases shall be governed by and construed in accordance with the laws of the State where the Premises is located, without regard to its conflicts of law principles.
11. (a) It is the intention of Lender and Borrower that the assignment effectuated by this Assignment of Leases with respect to the rents and other amounts due under the Leases shall be a direct, absolute and currently effective assignment and shall not constitute merely the granting of a lien, collateral assignment or a security interest or pledge for the purpose of securing the Indebtedness secured by the Mortgage and is effective whether or not a

default occurs hereunder or under the Loan Documents. In the event that a court of competent jurisdiction determines that, notwithstanding such expressed intent of the parties, Lender's interest in the Rents or other amounts payable under the Leases constitutes a lien on or security interest in or pledge thereof, it is agreed and understood that the forwarding of a notice to Borrower after the occurrence of an Event of Default, advising Borrower of the revocation of Borrower's license to collect such Rents shall be sufficient action by Lender to (i) perfect such lien on or security interest in or pledge of the Rents, (ii) take possession thereof, and (iii) entitle Lender to immediate and direct payment of the Rents for application as provided in the Loan Documents, after obtaining possession of the Land, Improvements or any other portion of the Premises. Notwithstanding the direct and absolute assignment of the Rents, there shall be no pro tanto reduction of any portion of the Indebtedness secured by the Mortgage except with respect to Rents actually received by Lender and applied by Lender toward payment of such Indebtedness.

- (b) Without limitation of the absolute nature of the assignment of the Rents, Borrower and Lender agree that (i) this Assignment of Leases shall constitute a "security agreement" for purposes of 11 U.S.C. Section 552(b), (ii) the security interest created by this Assignment of Leases extends to property of Borrower acquired before the commencement of a case in bankruptcy and to all amounts paid as Rents, and (iii) such security interest shall extend to all Rents acquired by the estate after the commencement of any case in bankruptcy. Without limitation of the absolute nature of the assignment of the Rents, to the extent Borrower (or Borrower's bankruptcy estate) shall be deemed to hold any interest in the Rents after the commencement of a voluntary or involuntary bankruptcy case, Borrower hereby acknowledges and agrees that such Rents are and shall be deemed to be "cash collateral" under Section 363 of the Bankruptcy Code. Borrower may not use the cash collateral without the consent of Lender and/or an order of any bankruptcy court pursuant to 11 U.S.C. 363(c)(2), and Borrower hereby waives any right it may have to assert that such Rents do not constitute cash collateral. No consent by Lender to the use of cash collateral by Borrower shall be deemed to constitute Lender's approval, as the case may be, of the purpose for which such cash collateral was expended.
- (c) Borrower acknowledges and agrees that, upon recordation of this Assignment of Leases, Lender's interest in the Rents shall be deemed to be fully perfected, "choate" and enforced as to Borrower and all third parties, including, without limitation, any subsequently appointed trustee in any case under the Bankruptcy Code, without the necessity of (a) commencing a foreclosure action with respect to this Assignment of Leases, (b) furnishing notice to Borrower or tenants under the Leases, (c) making

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formal demand for the Rents, (d) taking possession of the Premises as a lender-in-possession, (e) obtaining the appointment of a receiver of the Rents and profits of the Premises, (f) sequestering or impounding the Rents, or (g) taking any other affirmative action.

12. Notwithstanding anything in this Assignment of Leases to the contrary, Lender may, upon written notice to Borrower, elect to (i) exclude from the assignment provided in this Assignment of Leases any of the Leases as specified in such notice so that the interest under such indicated Lease is not assigned to Lender, (ii) subordinate the lien and other terms and provisions of the Mortgage to any of the Leases as indicated in said notice to Borrower, and/or (iii) require Borrower to use best efforts to obtain a non-disturbance and attornment agreement, in form and substance approved by Lender, from any of the lessees under any of the Leases as indicated in said notice to Borrower.
13. Borrower has had the opportunity to fully negotiate the terms hereof and modify the draftsmanship of this Assignment of Leases. Therefore, the terms of the Assignment of Leases shall be construed and interpreted without any presumption, inference, or rule requiring construction or interpretation of any provision of this Assignment of Leases against the interest of the party causing this Assignment of Leases or any portion of it to be drafted. Borrower is entering into this Assignment of Leases freely and voluntarily without any duress, economic or otherwise.
14. Each Notice which any party hereto may desire or be required to give to the other shall be given in accordance with the provisions of the Mortgage.
15. If more than one, all obligations and agreements of Borrower and of any general partners of Borrower are joint and several.
16. This Assignment of Leases may be executed in counterparts, each of which shall be deemed an original; and such counterparts when taken together shall constitute but one agreement.
17. Capitalized terms used herein and not otherwise defined shall have those meanings given to them in the Loan Documents.

(Signatures on next page)

IN WITNESS WHEREOF, Borrower has caused this Assignment of Leases to be duly executed and delivered as of the date first hereinabove written.

HODGKINS PROPERTY, L.L.C., an  
Illinois limited liability company

By:   
Name: Patrick Gaughan  
Title: Member

Property of Cook County Clerk's Office



STATE OF IL )  
 ) SS:  
CITY/COUNTY OF Cook )

I HEREBY CERTIFY that on this 19th day of Feb, 2003, before me, the undersigned officer, personally appeared Patrick Gaughan, who acknowledged himself/herself to be the member of Hodgkins Property, L.L.C., an Illinois limited liability company, and that (s)he, in such capacity, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by signing the name of Hodgkins Property, L.L.C., an Illinois limited liability company, as member of Hodgkins Property, L.L.C., an Illinois limited liability company.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Suzanne Cholke  
Notary Public

My Commission expires:



EXHIBIT A

LEGAL DESCRIPTION

LOT 1 IN SANTA FE HODGKINS-WILLOW SPRINGS INDUSTRIAL DISTRICT UNIT FOUR, BEING A SUBDIVISION IN THE WEST ½ OF SECTION 28, TOWNSHIP 38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PIN # 18-28-300-041-0000

k.A. 7440 SANTA FE DRIVE,  
HODGKINS, IL.

Property of Cook County Clerk's Office

**EXHIBIT B**

**LEASES**

1. Commercial and Industrial Lease with Arro Corporation, tenant, dated December 1, 2002
2. Commercial and Industrial Leasing Agreement with United Parcel Service, Inc., an Ohio corporation, tenant, dated January 17, 1997

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