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Cook County Recorder 50.00



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This instrument prepared by  
and when recorded return to:  
Steven J. Holler  
Senior Counsel  
City of Chicago  
Office of Corporation Counsel  
Room 600  
121 North LaSalle Street  
Chicago, Illinois 60602

**ASSIGNMENT OF RENTS AND LEASES**

**Dated as of April 1, 2003**

**KNOW ALL PERSONS BY THESE PRESENTS THAT**

Lake Park Crescent Associates I L.P., an Illinois limited partnership  
(the "Assignor"), whose office is located at c/o Draper and Kramer Incorporated, 33 West  
Monroe Street, Suite 1900, Chicago Illinois 60603, in consideration of One Dollar paid by the

Box 430

City of Chicago, Illinois (the "Assignee"), whose office is located at 121 North LaSalle Street, Chicago, Illinois 60602, subject to the interest of the Chicago Housing Authority ("CHA") and the U.S. Department of Housing and Urban Development under that certain Regulatory and Operating Agreement from the Assignor to the CHA dated as of April 1, 2003 and recorded in the Office of the Cook County Recorder of Deeds with respect to the subsidized units in the Premises (as defined in the hereinafter defined Mortgage) to be used as "public housing," hereby conveys, transfers and assigns unto the Assignee, its successors and assigns, all the rights, interest and privileges, which the Assignor, its successors and assigns, as lessor, has and may have in the leases now existing (as more particularly described on Exhibit B attached hereto and hereby made a part hereof) or hereafter made and affecting the real property described below or any part thereof, as said leases may have been or may from time to time be hereafter, modified, extended and renewed, with all rents, income, issues and profits due and becoming due therefrom. The Assignor will, on request of the Assignee, execute assignments of any future leases affecting any part of the Premises (as defined in the hereinafter defined Mortgage).

This Assignment of Rents and Leases (this "Assignment") is made as additional security for the obligations of the Assignor under a certain Housing Loan Agreement dated of even date herewith (hereinafter, as the same may be amended, supplemented and restated from time to time called the "Loan Agreement") between the Assignor and the Assignee and for the obligations of the Assignor under its promissory note (herein such note, together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof, shall be called the "Note") in the principal amount of \$10,000,000, dated of even date herewith and payable to the Assignee. The obligations of the Assignor under the Loan Agreement and the Note are secured by, among other things, a certain Junior Mortgage, Security Agreement and Financing Statement dated of even date herewith (hereinafter, as the same may be amended, supplemented and restated from time to time called the "Mortgage") from the Assignor to the Assignee, which Mortgage constitutes a lien on and otherwise relates to certain interests of the Assignor in certain real estate situated in the City of Chicago, Cook County, Illinois, described in Exhibit A attached hereto and hereby made a part hereof, and described in the Mortgage, and the acceptance of this Assignment and the collection of rents or the payments under the leases hereby assigned shall not constitute a waiver of any rights of the Assignee under the terms of the Mortgage. It is expressly understood and agreed by the parties hereto that before an event of default (which is not cured within any applicable notice and/or cure periods) occurs hereunder, or under the terms of the Loan Agreement, the Mortgage or any of the other Loan Documents (as defined in the Loan Agreement) (an "Event of Default"), the Assignor shall have the right to collect said rents, income, issues and profits from the aforementioned leases and to retain, use and enjoy the same; provided, however, that even before an Event of Default occurs, no rent more than one month in advance (other than reasonable security deposits) shall be collected or accepted without the prior written consent of the Assignee. Anything to the contrary notwithstanding, after the occurrence of an Event of Default, the Assignor hereby assigns to the Assignee any award made hereafter to the Assignor in any court procedure involving any of the lessees in any bankruptcy, insolvency or reorganization proceedings in any state or federal court, and any and all payments made by lessees in lieu of

rent. Upon the occurrence of an Event of Default, the Assignor hereby appoints the Assignee as its irrevocable attorney in fact to appear in any action and/or to collect any such award or payment; subject to the condition, however, that if after the occurrence of an Event of Default, said Event of Default shall be cured or waived, the appointment of the Assignee as attorney in fact for the Assignor shall cease and determine.

The Assignor, if an Event of Default has occurred and is continuing, hereby authorizes the Assignee, at its option, to enter and take possession of the Premises and to manage and operate the same, to collect all or any rents accruing therefrom and from said leases, to let or relet the Premises or any part thereof, to cancel and modify leases, evict tenants, bring or defend any suits in connection with the possession of the Premises in its own name or the Assignor's name, make repairs as the Assignee deems appropriate, and perform such other acts, in its own name or the Assignor's name, in connection with the management and operation of the Premises as the Assignee, in its discretion, may deem proper. The Assignor, in such case, shall cooperate with the Assignee in all other respects to effectuate the terms and conditions hereof.

The receipt by the Assignee of any rents, income, issues or profits pursuant to this Assignment after the institution of foreclosure proceedings under the Mortgage shall not cure such default nor affect such proceedings or any sale pursuant thereto. Upon foreclosure of the Mortgage (for which this Assignment serves as additional security), it is understood by the Assignor and the Assignee that the Assignee's rights under this Assignment continue through the period of foreclosure.

The Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by the Assignor under any of the said leases, and the Assignor hereby agrees to indemnify the Assignee for, and to defend and save it harmless from, any and all liability arising from any of said leases or from this Assignment (other than any liability arising out of the Assignee's negligence or willful misconduct following the Assignee's acquisition of title to or control of the Premises, unless such act is taken in response to (1) any negligent act or omission of the Assignor, the General Partner or the Owner, if any, or (2) any breach (other than failure to repay the Loan) by the Assignor, the General Partner or the Owner, if any, of any provisions of the instruments executed by the Assignor, the General Partner or the Owner, if any, in connection with the Loan), and this Assignment shall not place responsibility for the control, care, management or repair of the Premises upon the Assignee, or make the Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger.

The Assignor covenants and represents that (i) the Assignor has full right and title to assign all leases assigned hereunder and the rents, income, issues and profits due or to become due thereunder; (ii) the terms of said leases have not been changed from the terms in the copy of said leases submitted to the Assignee for approval; (iii) no other assignment of any interest therein has been made other than to the Bridge Loan Lender, the Senior Permanent Loan Lender, the CHA Junior Lender, and the Junior Lender (all as defined in the Loan Agreement); (iv) there

are no existing defaults under the provisions thereof; (v) all rents due under any of said leases on or before the date hereof have been paid in full to the Assignor; (vi) other than reasonable security deposits, no rents under any of said leases have heretofore been collected more than one month in advance; (vii) the Assignor has not granted any concession to any lessee under any of said leases other than as appears in the terms thereof; (viii) the Assignor will comply with all of the material terms of all of said leases; (ix) the Assignor will promptly give the Assignee a copy of any notice received by the Assignor concerning any material default by the Assignor under any of said leases; and (x) the Assignor will not hereafter cancel, surrender or terminate any of said leases, or exercise any option which might lead to such termination or change, or alter or modify any of said leases or consent to the release of any party liable thereunder or to the assignment of any lessee's interest in the lease to which such lessee is a party, other than in the ordinary course of business of the Assignor.

The Assignor hereby authorizes the Assignee, if an Event of Default has occurred and is continuing, to give notice in writing of this Assignment at any time to any tenant under any of said leases subject to the rights of the Senior Lender.

The full performance of the Loan Agreement and the Mortgage and the duly recorded release or reconveyance of the Premises and security interests described therein shall render this Assignment void and upon the written request of the Assignor, the Assignee shall execute and deliver to the Assignor a recordable release of this Assignment.

The net proceeds collected by the Assignee under the terms of this Assignment shall be applied, at the option of the Assignee, to pay all costs and expenses in connection with the management and operation of the Premises, and/or to pay all or any portion of the entire indebtedness from time to time outstanding and secured by the Loan Agreement and the Mortgage. The Assignee shall not be accountable for any monies other than said net proceeds actually received by the Assignee under the terms of this Assignment, nor shall the Assignee be liable for any failure to collect rents or other payments due from lessees under the leases assigned hereunder.

This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns, as well as any subsequent owner of the real estate described herein and any assignee of the Mortgage.

This Assignment is subject and subordinate in each and every respect to any and all rights of any kind created by that certain (i) Senior Permanent Loan Assignment from the Assignor to PFC Corporation, a Delaware corporation (the "Senior Permanent Loan Lender") dated April 1, 2003 and recorded prior to the recording of this Assignment in the Office of the Cook County Recorder of Deeds, securing a note of even date therewith in the amount of \$5,281,800 in favor of the Senior Permanent Loan Lender and (ii) the Regulatory Agreement between the Mortgagor and U.S. Department of Housing and Urban Development dated April 1, 2003.

So long as Senior Permanent Loan Assignment (the "Senior Document") is in effect, in the event of any conflict between the provisions of this Agreement and the Senior Document, the provisions of the Senior Document shall prevail. Any waiver or forbearance by any such senior lender under the Senior Document shall not impair the priority of its lien under such Senior Document.

This Assignment shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois without regard to its conflict of laws principles.

If any provision of this Assignment, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstance, is held invalid, the remainder of this Assignment shall be construed as if such invalid part were never included herein and this Assignment shall be and remain valid and enforceable to the fullest extent permitted by law.

All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Loan Agreement.

The indebtedness evidenced by the Note shall be non-recourse to the extent and in accordance with the conditions specified therein and in the Loan Agreement.

The document entitled "HUD-Required Provisions Rider" attached hereto as Exhibit C is hereby incorporated into this Assignment of Rents and Leases as if fully set forth herein and shall remain a part of this Assignment of Rents and Leases so long as the Secretary of HUD or his/her successors or assigns, are the insurers or holders of the Senior Permanent Loan Note (known as the Mortgage Note in the HUD-Required Provisions Rider). Upon such time as HUD is no longer the insurer or holder of the Senior Permanent Loan Note or such time as the Senior Permanent Loan Note is paid in full, the parties hereto agree that the HUD-Required Provisions Rider shall no longer be a part of this Assignment of Rents and Leases.

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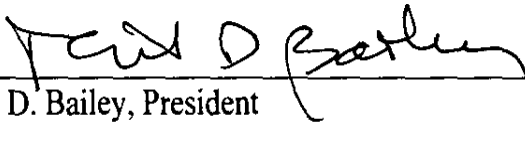
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IN WITNESS WHEREOF, the Assignor has hereunto set its hand and seal as of the day and year first above written.

LAKE PARK CRESCENT ASSOCIATES I L.P., an Illinois limited partnership

By: LAKE PARK CRESCENT GP I LLC, an Illinois limited liability company, its general partner

By: DRAPER AND KRAMER, INCORPORATED, an Illinois corporation

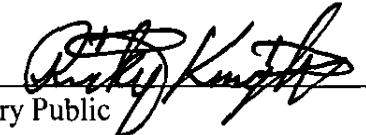
By:   
Forrest D. Bailey, President

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STATE OF ILLINOIS)  
 ) SS.  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Forrest Bailey, personally known to me to be the President of Draper and Kramer Incorporated, an Illinois corporation in its capacity as the managing member of Lake Park Crescent GP I LLC, an Illinois limited liability company (the "General Partner"), the sole general partner of Lake Park Crescent Associates I L.P. (the "Assignor"), an Illinois limited partnership, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such President, he signed and delivered the said instrument the General Partner thereto, pursuant to authority given by the operating agreement of the General Partner, as his free and voluntary act, and as the free and voluntary act and deed of the General Partner and the Assignor, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 4th day of April, 2003.

  
\_\_\_\_\_  
Notary Public

(SEAL)



EXHIBIT A

**Legal Description**  
**Park Crescent—Phase I Rental Property**

THE LEASEHOLD ESTATE CREATED BY THAT CERTAIN GROUND LEASE, ENTERED INTO BY THE CHICAGO HOUSING AUTHORITY AND LAKE PARK CRESCENT ASSOCIATES I L.P., DATED APRIL 1, 2003, WHICH LEASE COMMENCES APRIL 1, 2003, AND TERMINATES MARCH 31, 2102, AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, AS DOCUMENT NUMBER \*\_\_\_\_\_ AND WHICH LEASE DEMISES THE LAND HEREINAFTER DESCRIBED, TOGETHER WITH ALL BUILDINGS AND IMPROVEMENTS NOW EXISTING OR HEREAFTER CONSTRUCTED THEREON), TO WIT:

\*0030492185  
LOTS 1, 2, 12, 13, 14, 15, 25 AND 26 IN BLOCK 1, LOTS 1, 2, 8 AND 9 IN BLOCK 2, AND LOT 1 AND OUTLOT A IN BLOCK 3, ALL IN LAKE PARK CRESCENT, BEING A SUBDIVISION OF PART OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO PLAT THEREOF RECORDED AS DOCUMENT NO. 0030468270 WITH THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS.

PERMANENT REAL ESTATE INDEX NUMBERS:

20-02-109-002	20-02-109-021	20-02-109-033	20-02-115-014	20-02-118-016
20-02-109-003	20-02-109-022	20-02-109-034	20-02-118-001	20-02-118-017
20-02-109-006	20-02-109-024	20-02-109-035	20-02-118-002	20-02-118-018
20-02-109-008	20-02-109-025	20-02-109-036	20-02-118-005	20-02-118-019
20-02-109-009	20-02-109-026	20-02-115-006	20-02-118-009	20-02-118-020
20-02-109-010	20-02-109-027	20-02-115-008	20-02-118-010	20-02-118-021
20-02-109-012	20-02-109-028	20-02-115-009	20-02-118-011	20-02-118-022
20-02-109-015	20-02-109-029	20-02-115-010	20-02-118-012	20-02-118-023
20-02-109-018	20-02-109-030	20-02-115-011	20-02-118-013	20-02-118-024
20-02-109-019	20-02-109-031	20-02-115-012	20-02-118-014	
20-02-109-020	20-02-109-032	20-02-115-013	20-02-118-015	

ADDRESSES:

4001 South Lake Park Avenue	4051 South Lake Park Avenue	4006 South Oakenwald Avenue
4007 South Lake Park Avenue	4067 South Lake Park Avenue	4030 South Oakenwald Avenue
4029 South Lake Park Avenue	4071 South Lake Park Avenue	4036 South Oakenwald Avenue
4035 South Lake Park Avenue	4000 South Oakenwald Avenue	1061 East 41 <sup>st</sup> Place
4045 South Lake Park Avenue		

All in Chicago, Illinois



EXHIBIT C

HUD-REQUIRED PROVISIONS RIDER

**THIS RIDER** is attached to and made a part of that certain Assignment of Rents and Leases (the "Document"), dated as of April 1, 2003, entered into by Lake Park Crescent Associates I L.P., an Illinois limited partnership ("Borrower") and securing that certain loan made by the City of Chicago, Illinois, an Illinois municipal corporation (the "Subordinate Lender"), through its Department of Housing ("DOH"), having its offices at 318 South Michigan Avenue, Chicago, Illinois 60604 to the Borrower and relating to certain sites generally located north of East 42<sup>nd</sup> Street, west of the Illinois Central rail line, south of East 40<sup>th</sup> Street and east of S. Lake Park Avenue in the City of Chicago, Illinois. In the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Document, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meaning given to such terms in the Document. As used herein, the term "HUD" shall mean the United States Department of Housing and Urban Development; the term "FHA" shall mean the Federal Housing Administration, an organizational unit within HUD; the term "Project" shall have the same meaning as in the HUD Regulatory Agreement described below; and the term "HUD/FHA Loan Documents" shall mean the following documents relating to the HUD-insured mortgage loan for the Project (Project No. 071-35700):

- A. Commitment for Insurance dated October 25, 2002, as revised and amended, issued by the Secretary of HUD pursuant to Section 221(d)(4) to Draper and Kramer, Inc., and later assigned to PFC Corporation ("PFC") ("Mortgagee");
- B. Building Loan Agreement dated April 1, 2003, between the Borrower and Mortgagee;
- C. Mortgage Note dated April 1, 2003, made by the Borrower payable to the order of Mortgagee in the principal amount of \$5,281,800 (the "Mortgage Note");
- D. Mortgage dated April 1, 2003, made by Borrower in favor of Mortgagee and encumbering the Project as security for the Mortgage Note (the "Mortgage");
- E. Security Agreement (Chattel Mortgage) dated April 1, 2003, between the Borrower, as debtor, and Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party;
- F. UCC-1 Financing Statements made by the Borrower, as debtor, in favor of Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party recorded with the Cook County Recorder's Office and to be filed with the Illinois Secretary of State;
- G. Regulatory Agreement for Multifamily Housing Projects, dated April 1, 2003, between the Borrower and HUD (the "HUD Regulatory Agreement");

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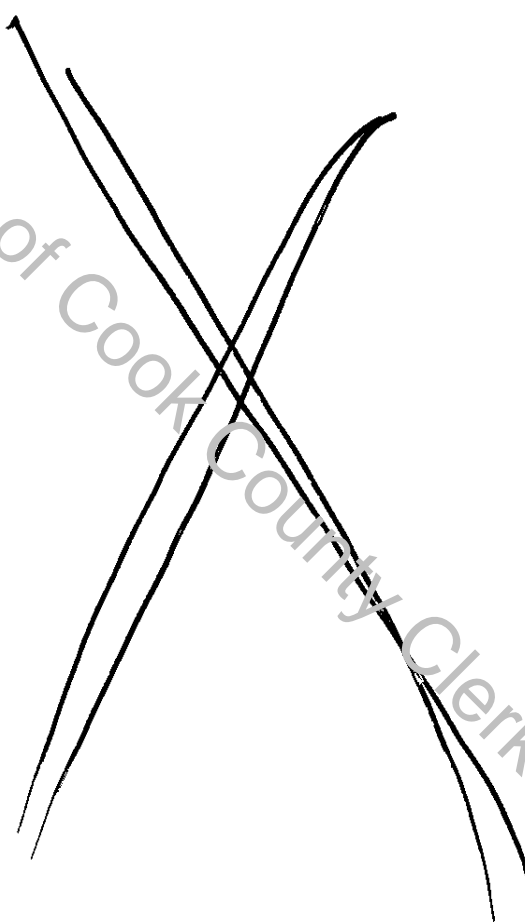
- H. Assignment of Rents and Leases from Borrower to Mortgagee dated as of April 1, 2003; and
- I. Assignment of Contracts and Documents from Borrower to Mortgagee dated as of April 1, 2003.
- R-1 Notwithstanding anything in the Document to the contrary, the provisions of the Document are subordinate to all applicable Federal Statutes, HUD mortgage insurance regulations and related HUD directives and administrative requirements other than those HUD Mortgage insurance regulations, related HUD directives or administrative requirements which have been waived in writing by HUD with respect to the Project. The provisions of the Document are also expressly subordinate to the HUD/FHA Loan Documents. In the event of any conflict between the Document and the provisions of applicable Federal Statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements, or HUD/FHA Loan Documents, the Federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements and HUD/FHA Loan Documents shall control, except for those HUD mortgage insurance regulations, related HUD directives or administrative requirements which have been waived in writing by HUD with respect to the Project.
- R-2 Failure on the part of the Borrower to comply with the covenants contained in the Document shall not serve as a basis for default on any HUD-insured or HUD-held mortgage on the Project.
- R-3 Compliance by the Borrower with the provisions and covenants of the Document and enforcement of the provisions and covenants contained in the Document, including, but not limited to, any indemnification provisions or covenants, will not and shall not result in any claim or lien against the Project, any asset of the Project, the proceeds of the Mortgage, any reserve, or deposit required by HUD in connection with the Mortgage transaction or the rents or other income from the Project, other than distributable "Surplus Cash" (as that term "Surplus Cash" is defined in the HUD Regulatory Agreement).
- R-4 No amendment to the Document made after the date of the initial HUD endorsement of the Mortgage Note shall have any force or effect until and unless such amendment is approved in writing by HUD. No amendment made after the aforesaid date to any HUD/FHA Loan Document shall be binding upon the Subordinate Lender unless the Subordinate Lender has consented thereto in writing.
- R-5 Unless waived in writing by HUD with respect to the Project, any action of the Borrower which is prohibited or required by HUD pursuant to applicable Federal law, HUD regulations, HUD directives and administrative requirements or the HUD/FHA Loan Documents shall supersede any conflicting provision of the Document, and the performance or failure to perform of the Borrower in accordance with such laws, regulations, directives, administrative requirements or HUD/FHA Loan Documents shall not constitute an event of default under the Document.
- R-6 So long as HUD is the insurer or holder of any mortgage on the Project or any indebtedness secured by a mortgage on the Project, the Borrower, the General Partner and any principal of either of the foregoing shall not and are not permitted to pay any amount

EXHIBIT B

EXISTING LEASES

None.

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required to be paid under the provisions of the Document except from distributable Surplus Cash, as such term is defined in, and in accordance with the conditions prescribed in the HUD Regulatory Agreement, unless otherwise specifically permitted in writing by HUD. Failure to pay, when due, any such required amount due to lack of distributable Surplus Cash shall not be an event of default under the Document but such amount shall accrue and be payable when there is sufficient available Surplus Cash or at the unaccelerated maturity date of the Note, whichever shall first occur.

- R-7 In the event of the appointment by any court of any person, other than HUD or the Mortgagee, as a receiver, as a mortgagee or party in possession, or in the event of any enforcement of any assignment of leases, rents, issues, profits, or contracts contained in the Document, with or without court action, no rents, revenue or other income of the Project collected by the receiver, person in possession or person pursuing enforcement as aforesaid, shall be utilized for the payment of interest, principal or any other amount due and payable under the provisions of the Document except from distributable Surplus Cash in accordance with the HUD Regulatory Agreement. The receiver, person in possession or person pursuing enforcement shall operate the Project in accordance with all provisions of the HUD/FHA Loan Documents.
- R-8 A duplicate of each notice given, whether required or permitted to be given, under the provisions of the Document shall also be given to:

Department of Housing and Urban Development  
77 West Jackson Blvd.  
Chicago, IL 60604  
Attention: Director of Multi-Family Housing  
Project No. 071-35700

HUD may designate any further or different addresses for such duplicate notices.

- R-9 Notwithstanding anything in the Document to the contrary, the Borrower and its successors and assigns may sell, convey, transfer, lease, sublease or encumber the Project or any part thereof provided it obtains the prior written consent of HUD to any such sale, conveyance, transfer, lease, sublease or encumbrance. The Borrower may make application to HUD for approval of a Transfer of Physical Assets in accordance with HUD regulations, directives and policies. A duplicate copy of such application shall be served on the Subordinate Lender. Within 90 days after such service, the Subordinate Lender shall serve written notice of its approval of such transfer, or of its requirements for approval of such transfer, on HUD, the Mortgagee and the Borrower. No such transfer shall occur or be effective until the Subordinate Lender's requirements shall have been satisfied. In the event the Subordinate Lender fails to serve such notice on HUD, the Mortgagee and the Borrower within said time, then any consent by HUD to such transfer

shall be conclusively deemed to be the Subordinate Lender's prior written consent to such transfer and consummation of such transfer shall not be a default under the Document.

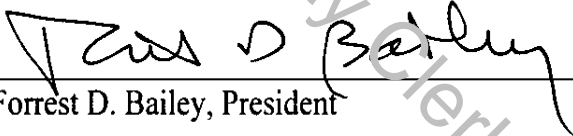
- R-10 The Document and all covenants and provisions therein and all lien rights created thereby, if any, shall automatically terminate in the event of a deed in lieu of foreclosure of any mortgage insured or held by HUD with respect to the Project or any portion thereof. Upon such termination, Subordinate Lender shall furnish to HUD and the Mortgagee such releases and other documentation as HUD or the Mortgagee shall deem necessary or convenient to confirm or evidence such termination.
- R-11 Notwithstanding anything in the Document to the contrary, the provisions of this HUD-Required Provisions Rider are for the benefit of and are enforceable by HUD and the Mortgagee.

Executed as of the date set forth above.

LAKE PARK CRESCENT ASSOCIATES I L.P., an Illinois limited partnership

By: LAKE PARK CRESCENT GP I LLC, an Illinois limited liability company, its general partner

By: DRAPER AND KRAMER, INCORPORATED, an Illinois corporation

By:   
Forrest D. Bailey, President

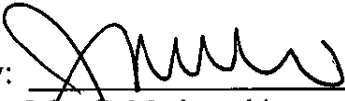


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The foregoing HUD-Required Provisions Rider is hereby acknowledged and consented to by the undersigned as of the 1st day of April, 2003.

**CITY OF CHICAGO, ILLINOIS**  
by and through its Department of Housing

By:   
\_\_\_\_\_  
John G. Markowski  
Commissioner

Property of Cook County Clerk's Office

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