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This instrument prepared by and upon recording should be returned to:
CHARTER ONE BANK, N.A.
65 ERIEVIEW - 4TH FLOOR
ATTN: BUSINESS BANKING EV-352
CLEVELAND, OHIO 44114



0322449279

Eugene "Gene" Moore Fee: \$48.00
Cook County Recorder of Deeds
Date: 08/12/2003 03:10 PM Pg: 1 of 13

6704335

COLLATERAL ASSIGNMENT OF LEASES AND RENTS

This COLLATERAL ASSIGNMENT OF LEASES AND RENTS (this "Assignment") entered into at Cleveland, Ohio, as of **July 22, 2003**, between **Francisco R. Fernandez**, an individual, **Magaly D. Fernandez**, an individual, husband and wife with an address of **6602 North Clark Street, Chicago, Illinois 60626** (the "Assignor") and Charter One Bank, N.A., a national bank with an address of 1215 Superior Avenue, Cleveland, Ohio 44114 (the "Bank").

The real property which is the subject matter of this Assignment has the following address(es): **6602 North Clark Street, Chicago, Illinois 60626** (the "Address(es)"), **Property Identification Number 11-31-412-034**.

1. ASSIGNMENT OF LEASES AND RENTS

1.1 Collateral Assignment of Leases and Rents. For valuable consideration paid and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor hereby assigns to the Bank all of the Assignor's rights and benefits under any and all Leases (as herein defined) and any and all rents and other amounts now or hereafter owing with respect to the Leases or the use or occupancy of the "Property" described below, to secure the prompt payment and performance of the Obligations (as hereinafter defined), including without limitation, all amounts due and owing to the Bank and all obligations respecting that certain **Five Year Adjustable Term Note**, dated **July 22, 2003**, in favor of the Bank in the original principal amount of **\$280,000.00** (the "Note"; and collectively, along with all other agreements, documents, certificates and instruments delivered in connection therewith, the "Loan Documents"), and any substitutions, modifications, extensions or amendments to any of the Loan Documents.

The amount of principal obligations outstanding and evidenced by the Loan Documents and secured by this Assignment total **\$280,000.00** as of the date of this Assignment but this Assignment shall nevertheless secure payment and performance of all Obligations.

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1.2 License to Collect Rents. This Assignment shall be absolute and effective immediately, but the Assignor shall have a license, revocable by Bank, to continue to collect rents owing under the Leases until an Event of Default (as herein defined) occurs and the Bank exercises its rights and remedies to collect such rents as set forth herein.

1.3 Property. The term "Property," as used in this Assignment, shall mean that certain parcel of land and the fixtures, structures and improvements now or hereafter thereon located at the Address(es), as more particularly described in Exhibit A attached hereto. The term "Leases", as used in this Assignment, shall mean all of the rights and benefits of the Assignor under any present or future leases and agreements relating to the Property, including, without limitation, rents, issues and profits, or the use or occupancy thereof together with any extensions and renewals thereof, specifically excluding all duties or obligations of the Assignor of any kind arising thereunder.

1.4 Obligations. The term "Obligation(s)," as used in this Assignment, shall mean without limitation all loans, advances, indebtedness, notes, liabilities and amounts, liquidated or unliquidated, now or hereafter owing by the Assignor to the Bank at any time, of each and every kind, nature and description, whether arising under this Assignment or otherwise, and whether secured or unsecured, direct or indirect (that is, whether the same are due directly by the Assignor to the Bank; or are due indirectly by the Assignor to the Bank as endorser, guarantor or other surety, or as obligor of obligations due third persons which have been endorsed or assigned to the Bank, or otherwise), absolute or contingent, due or to become due, now existing or hereafter contracted, including, without limitation, payment when due of all amounts outstanding respecting any of the Loan Documents. Said term shall also include all interest and other charges chargeable to the Assignor or due from the Assignor to the Bank from time to time and all costs and expenses referred to in this Assignment, including the costs and expenses (including reasonable attorneys fees) of enforcement of the Bank's rights hereunder or pursuant to any document or instrument executed in connection herewith.

1.5 Future Advances. This Assignment secures the Obligations and any and all current and future advances to the Assignment evidenced by (or pursuant to) the Note and all extensions, renewals and modifications thereof, such other note or notes as may be issued at any time and from time to time by the Assignor to the Bank and such other agreement(s) as may be entered into by the Assignor with the Bank. The lien granted hereunder shall relate back to the date of this Assignment, and shall secure any and all such future advances made not more than twenty (20) years after the date thereof. The total amount of the principal indebtedness secured hereby may decrease or increase from time to time, but the total unpaid balance so secured at any one time shall not exceed 1.00 times the principal amount of the Note plus the interest thereon and any disbursements made for the payment of taxes, levies, insurance or otherwise hereunder with interest thereon.

2. REPRESENTATIONS, WARRANTIES, COVENANTS

2.1 Representations and Warranties. The Assignor represents and warrants that:

- (a) This Assignment has been duly executed and delivered by the Assignor and is the legal, valid and binding obligation of the Assignor enforceable in accordance with its terms, except as limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights generally;
- (b) The Assignor is the sole legal owner of the Property, holding good and marketable fee simple title to the Property, subject to no liens, encumbrances, leases, security interests or rights of others, other than as approved by the Bank in writing (the "Permitted Encumbrances");
- (c) The Assignor is the sole legal owner of the entire lessor's interest in the Leases and the Assignor has not executed any other assignment of the Leases or any of the rights or rents arising thereunder;

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- (d) As of the date hereof, there are no Hazardous Substances (as herein defined) in, on or under the Property, except as disclosed in writing to and acknowledged by the Bank; and
- (e) Each Obligation is a commercial obligation and will be used solely for the purposes specified in Section 815 ILCS 205/4 (c) and does not represent a loan used for personal, family or household purposes and is not a consumer transaction or otherwise subject to the provisions of the Federal Truth in Lending Act, Federal Reserve Board Regulation Z, any similar Illinois laws, or other such consumer statutes or regulations and restrictions.

2.2 Recording; Further Assurances. The Assignor covenants that it shall, at its sole cost and expense and upon the request of the Bank, cause this Assignment, and each amendment, modification or supplement hereto, to be recorded and filed in such manner and in such places, and shall at all times comply with all such statutes and regulations as may be required by law in order to establish, preserve and protect the interest of the Bank in the Property and the Leases and the rights of the Bank under this Assignment. Upon the written request of the Bank, and at the sole expense of the Assignor, the Assignor will promptly execute and deliver such further instruments and documents and take such further actions as the Bank may deem desirable to obtain the full benefits of this Assignment and of the rights and powers herein granted, including, without limitation, obtaining any consents or estoppel certificates of lessees under the Leases that the Bank deems appropriate.

2.3 Restrictions on the Assignor. The Assignor covenants that it will not, nor will it permit any other person to, directly or indirectly, without the prior written approval of the Bank in each instance:

- (a) Sell, convey, assign, transfer, mortgage, pledge, hypothecate, lease or dispose of all or any part of any legal or beneficial interest in the Assignor or the Property or any part thereof or permit any of the foregoing, except as expressly permitted by the terms of this Assignment;
- (b) Permit the use, generation, treatment, storage, release or disposition of any oil or other material or substance constituting hazardous waste or hazardous materials or substances under any applicable Federal or state law, regulation or rule ("Hazardous Substances"); or
- (c) Permit to be created or suffer to exist any mortgage, lien, security interest, attachment or other encumbrance or charge on the Property or any part thereof or interest therein (except for the Permitted Encumbrances), including, without limitation, (i) any lien arising under any Federal, state or local statute, rule, regulation or law pertaining to the release or cleanup of Hazardous Substances and (ii) any mechanics' or materialmen's lien. The Assignor further agrees to give the Bank prompt written notice of the imposition, or notice, of any lien referred to in this Section and to take any action necessary to secure the prompt discharge or release of the same. The Assignor agrees to defend its title to the Property and the Bank's interest therein against the claims of all persons and, unless the Bank requests otherwise, to appear in and diligently contest, at the Assignor's sole cost and expense, any action or proceeding that purports to affect the Assignor's title to the Property or the priority or validity of this Assignment or the Bank's interest hereunder.

2.4 Operation of Property. The Assignor covenants and agrees as follows:

- (a) The Assignor will not permit the Property to be used for any unlawful or improper purpose, will at all times comply with all Federal, state and local laws, ordinances and regulations, and will obtain and maintain all governmental or other approvals relating to the Assignor, the Property or the use thereof, including without limitation, any applicable zoning or building codes or regulations and any laws or regulations relating to the handling, storage, release or cleanup of Hazardous Substances, and will give prompt written notice to the Bank of (i) any violation of any such law, ordinance or regulation by the Assignor or relating to the Property, (ii) receipt of notice from any Federal, state or local authority alleging any such violation and (iii) the presence or release on the Property of any Hazardous Substances;

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- (b) The Assignor will at all times keep the Property insured for such losses or damage, in such amounts and by such companies as may be required by law or which the Bank may require, provided that, in any case, the Assignor shall maintain: (i) physical hazard insurance on an "all risks" basis in an amount not less than 100% of the full replacement cost of the Property; (ii) flood insurance if and as required by applicable Federal law and as otherwise required by the Bank; (iii) comprehensive commercial general liability insurance; (iv) rent loss and business interruption insurance; and (v) such other insurance as the Bank may require from time to time, including builder's risk insurance in the case of construction loans. All policies regarding such insurance shall be issued by companies licensed to do business in the state where the policy is issued and also in the state where the Property is located, be otherwise acceptable to the Bank, provide deductible amounts acceptable to the Bank, name the Bank as mortgagee, loss payee and additional insured, and provide that no cancellation or material modification of such policies shall occur without at least thirty (30) days' prior written notice to the Bank. Such policies shall include (i) a mortgage endorsement determined by the Bank in good faith to be equivalent to the "standard" mortgage endorsement so that the insurance, as to the interest of the Bank, shall not be invalidated by any act or neglect of the Assignor or the owner of the Property, any foreclosure or other proceedings or notice of sale relating to the Property, any change in the title to or ownership of the Property, or the occupation or use of the Property for purposes more hazardous than are permitted at the date of inception of such insurance policies; (ii) a replacement cost endorsement; (iii) an agreed amount endorsement; (iv) a contingent liability from operation endorsement; and (v) such other endorsements as the Bank may request. The Assignor will furnish to the Bank upon request such original policies, certificates of insurance or other evidence of the foregoing as are acceptable to the Bank. The terms of all insurance policies shall be such that no coinsurance provisions apply, or if a policy does contain a coinsurance provision, the Assignor shall insure the Property in an amount sufficient to prevent the application of the coinsurance provisions;
- (c) Assignor will not enter into or modify the Leases without the prior written consent of the Bank, execute any assignment of the Leases except in favor of the Bank, or accept any rentals under any Lease for more than one month in advance and will at all times perform and fulfill every term and condition of the Leases;
- (d) Assignor will at all times (i) maintain complete and accurate records and books regarding the Property in accordance with generally accepted accounting principles and (ii) permit the Bank and the Bank's agents, employees and representatives, at such reasonable times as the Bank may request, to enter and inspect the Property and such books and records; and
- (e) Assignor will at all times keep the Property in good and first-rate repair and condition (damage from casualty not excepted) and will not commit or permit any strip, waste, impairment, deterioration or alteration of the Property or any part thereof.

2.5 Payments. The Assignor covenants to pay when due: all Federal, state, municipal or other taxes, betterment and improvement assessments and other governmental levies, water rates, sewer charges, insurance premiums and other charges on the Property, this Assignment or any Obligation secured hereby that could, if unpaid, result in a lien on the Property or on any interest therein. If and when requested by the Bank, the Assignor shall deposit from time to time with the Bank sums determined by the Bank to be sufficient to pay when due the amounts referred to in this Section. The Assignor shall have the right to contest any notice, lien, encumbrance, claim, tax, charge, betterment assessment or premium filed or asserted against or relating to the Property; provided that it contests the same diligently and in good faith and by proper proceedings and, at the Bank's request, provides the Bank with adequate cash security, in the Bank's reasonable judgment, against the enforcement thereof. The Assignor shall furnish to the Bank the receipted real estate tax bills or other evidence of payment of real estate taxes for the Property within thirty (30) days prior to the date from which interest or penalty would accrue for nonpayment thereof. The Assignor shall also furnish to the Bank evidence of all other payments referred to above within fifteen (15) days after written request therefor by the Bank.

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2.6 Notices; Notice of Default. The Assignor will deliver to the Bank, promptly upon receipt of the same, copies of all notices or other documents it receives that affect the Property or its use, or claim that the Assignor is in default in the performance or observance of any of the terms hereof or that the Assignor or any tenant is in default of any terms of the Leases. The Assignor further agrees to deliver to the Bank written notice promptly upon the occurrence of any Event of Default hereunder or event that with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder.

2.7 Takings. In case of any condemnation or expropriation for public use of, or any damage by reason of the action of any public or governmental entity or authority to, all or any part of the Property (a "Taking"), or the commencement of any proceedings or negotiations that might result in a Taking, the Assignor shall promptly give written notice to the Bank, describing the nature and extent thereof. The Bank may, at its option, appear in any proceeding for a Taking or any negotiations relating to a Taking and the Assignor shall promptly give to the Bank copies of all notices, pleadings, determinations and other papers relating thereto. The Assignor shall in good faith and with due diligence and by proper proceedings file and prosecute its claims for any award or payment on account of any Taking. The Assignor shall not settle any such claim without the Bank's prior written consent. The Assignor shall hold any amounts received with respect to such awards or claims, by settlement, judicial decree or otherwise, in trust for the Bank and promptly pay the same to the Bank. The Assignor authorizes any award or settlement due in connection with a Taking to be paid directly to the Bank in amounts not exceeding the Obligations. The Bank may apply such amounts to the Obligations in such order as the Bank may determine.

2.8 Insurance Proceeds. The proceeds of any insurance resulting from any loss with respect to the Property shall be paid to the Bank and, at the option of the Bank, be applied to the Obligations in such order as the Bank may determine; provided, however, that if the Bank shall require repair of the Property, the Bank may release all or any portion of such proceeds to the Assignor for such purpose. Any insurance proceeds paid to the Assignor shall be held in trust for the Bank and promptly paid to it.

3. CERTAIN RIGHTS OF THE BANK

3.1 Legal Proceedings. The Bank shall have the right, but not the duty, to intervene or otherwise participate in any legal or equitable proceeding that, in the Bank's reasonable judgment, might affect the Property or any of the rights created or secured by this Assignment. The Bank shall have such right whether or not there shall have occurred an Event of Default hereunder.

3.2 Appraisals/Assessments. The Bank shall have the right, at the Assignor's sole cost and expense, to obtain appraisals, environmental site assessments or other inspections of the portions of the Property that are real estate at such times as the Bank deems necessary or as may be required by applicable law, or prevailing Bank credit or underwriting policies.

3.3 Financial Statements. The Bank shall have the right, at the Assignor's sole cost and expense, to require delivery of financial statements in form and substance acceptable to Bank from the Assignor or any guarantor of any of the Obligations and the Assignor hereby agrees to deliver such financial statements and/or cause any such guarantor to so deliver any such financial statement when required by Bank.

3.4 Tax Return. The Assignor shall deliver to the Bank on or before May 1 of each year or such other date approved by the Bank, the Assignor's filed Federal and any applicable state tax returns for the prior year.

3.5 Leases and Rent Roll. The Assignor shall deliver to the Bank during each calendar year and at such other times as the Bank shall request a rent roll for the Property, in form acceptable to the Bank, listing all tenants and occupants and describing all of the Leases.

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4. DEFAULTS AND REMEDIES

4.1 Events of Default. Event of Default shall mean the occurrence of any one or more of the following events:

- (a) default of any liability, obligation or undertaking of the Assignor, the Borrower or any guarantor of the Obligations to the Bank, hereunder or otherwise, including failure to pay in full and when due any installment of principal or interest or default of the Assignor, the Borrower or any guarantor of the Obligations under any other Loan Document;
- (b) failure by the Assignor to perform, observe or comply with any of the covenants, agreements, terms or conditions set forth in this Assignment;
- (c) the (i) occurrence of any material loss, theft, damage or destruction of, or (ii) issuance or making of any levy, seizure, attachment, execution or similar process on a material portion of the Property;
- (d) failure of the Assignor, the Borrower or any guarantor of the Obligations to maintain aggregate collateral security value satisfactory to the Bank;
- (e) default of any material liability, obligation or undertaking of the Assignor, the Borrower or any guarantor of the Obligations to any other party;
- (f) if any statement, representation or warranty heretofore, now or hereafter made by the Assignor, the Borrower or any guarantor of the Obligations in connection with this Agreement or in any supporting financial statement of the Assignor, the Borrower or any guarantor of the Obligations shall be determined by the Bank to have been false in any material respect when made;
- (g) if the Assignor, the Borrower or any guarantor of the Obligations is a corporation, trust, partnership or limited liability company, the liquidation, termination or dissolution of any such organization, or the merger or consolidation of such organization into another entity, or its ceasing to carry on actively its present business or the appointment of a receiver for its property;
- (h) the death of the Assignor, the Borrower or any guarantor of the Obligations and, if the Assignor, the Borrower or any guarantor of the Obligations is a partnership or limited liability company, the death of any partner or member;
- (i) the institution by or against the Assignor, the Borrower or any guarantor of the Obligations of any proceedings under the Bankruptcy Code 11 USC §101 *et seq.* or any other law in which the Assignor, the Borrower or any guarantor of the Obligations is alleged to be insolvent or unable to pay its debts as they mature, or the making by the Assignor, the Borrower or any guarantor of the Obligations of an assignment for the benefit of creditors or the granting by the Assignor, the Borrower or any guarantor of the Obligations of a trust mortgage for the benefit of creditors;
- (j) the service upon the Bank of a garnishment, Citation to Discover Assets or other supplementary proceeding in which the Bank is named as custodian of property of the Assignor, the Borrower or any guarantor of the Obligations;
- (k) a judgment or judgments for the payment of money shall be rendered against the Assignor, the Borrower or any guarantor of the Obligations, and any such judgment shall remain unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution;

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- (l) any levy, lien (including mechanics lien), seizure, attachment, execution or similar process shall be issued or levied on any of the property of the Assignor, the Borrower or any guarantor of the Obligations;
- (m) the termination of any guaranty of the Obligations; or
- (n) the occurrence of such a change in the condition or affairs (financial or otherwise) of the Assignor, the Borrower or any guarantor of the Obligations, or the occurrence of any other event or circumstance, such that the Bank, in its sole discretion, deems that it is insecure or that the prospects for timely or full payment or performance of any obligation of the Assignor, the Borrower or any guarantor of the Obligations to the Bank has been or may be impaired.

4.2 Remedies. On the occurrence of any Event of Default the Bank may, at any time thereafter, at its option and, to the extent permitted by applicable law, without notice, exercise any or all of the following remedies:

- (a) Declare the Obligations due and payable, and the Obligations shall thereupon become immediately due and payable, without presentment, protest, demand or notice of any kind, all of which are hereby expressly waived by the Assignor except for Obligations due and payable on demand, which shall be due and payable on demand whether or not an event of default has occurred hereunder;
- (b) Enter, take possession of, manage and operate the Property (including all personal property and all records and documents pertaining thereto) and any part thereof and exclude the Mortgagor therefrom, take all actions it deems necessary or proper to preserve the Property and operate the Property as a mortgagee in possession with all the powers as could be exercised by a receiver or as otherwise provided herein or by applicable law; provided, however, the entry by the Bank upon the Property for any reason shall not cause the Bank to be a mortgagee in possession, except upon the express written declaration of the Bank;
- (c) With or without taking possession, receive and collect all rents, income, issues and profits ("Rents") from the Property (including all real estate and personal property and whether past due or thereafter accruing), including as may arise under the Leases, and the Assignor appoints the Bank as its true and lawful attorney with the power for the Bank in its own name and capacity to demand and collect Rents and take any action that the Assignor is authorized to take under the Leases. The Bank shall (after payment of all costs and expenses incurred) apply any Rents received by it to the Obligations in such order as the Bank determines, or in accordance with any applicable statute, and the Assignor agrees that exercise of such rights and disposition of such funds shall not constitute a waiver of any foreclosure once commenced nor preclude the later commencement of foreclosure for breach thereof. The Bank shall be liable to account only for such Rents actually received by the Bank. Lessees under the Leases are hereby authorized and directed, following notice from the Bank, to pay all amounts due the Assignor under the Leases to the Bank, whereupon such lessees shall be relieved of any and all duty and obligation to the Assignor with respect to such payments so made;
- (d) Cause one or more environmental assessments to be taken, arrange for the cleanup of any Hazardous Substances or otherwise cure the Assignor's failure to comply with any statute, regulation or ordinance relating to the presence or cleanup of Hazardous Substances, and the Assignor shall provide the Bank or its agents with access to the Property for such purposes; provided that the exercise of any of such remedies shall not be deemed to have relieved the Assignor from any responsibility therefor or given the Bank "control" over the Property or cause the Bank to be considered to be a mortgagee in possession, "owner" or "operator" of the Property for purposes of any applicable law, rule or regulation pertaining to Hazardous Substances; and

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- (e) Take such other actions or proceedings as the Bank deems necessary or advisable to protect its interest in the Property and ensure payment and performance of the Obligations, including, without limitation, appointment of a receiver (and the Assignor hereby waives any right to object to such appointment) and exercise of any of the Bank's remedies provided in the Obligations or in any document evidencing, securing or relating to any of the Obligations or available to a secured party under the Uniform Commercial Code or under other applicable law.

In addition Bank shall have all other remedies provided by applicable law. The Assignor agrees and acknowledges that the acceptance by the Bank of any payments from either the Assignor or any guarantor after the occurrence of any Event of Default, the exercise by the Bank of any remedy set forth herein or the commencement, discontinuance or abandonment of foreclosure proceedings against the Property shall not waive the Bank's subsequent or concurrent right to foreclose or operate as a bar or estoppel to the exercise of any other rights or remedies of the Bank. The Assignor agrees and acknowledges that the Bank, by making payments or incurring costs described herein, shall be subrogated to any right of the Assignor to seek reimbursement from any third parties, including, without limitation, any predecessor in interest to the Assignor's title or other party who may be responsible under any law, regulation or ordinance relating to the presence or cleanup of Hazardous Substances.

4.3 Advances. If the Assignor fails to pay or perform any of its obligations respecting the Property, the Bank may in its sole discretion do so without waiving or releasing Mortgagor from any such obligation. Any such payments may include, but are not limited to, payments for taxes, assessments and other governmental levies, water rates, insurance premiums, maintenance, repairs or improvements constituting part of the Property. Any amounts paid by the Bank hereunder shall be, until paid, part of the Obligations and secured by this Assignment, and shall be due and payable to the Bank, on demand, together with interest thereon to the extent permitted by applicable law, at the highest rate set forth in the Obligations.

4.4 Cumulative Rights and Remedies. All of the foregoing rights, remedies and options (including without limitation the right to enter and take possession of the Property, the right to manage and operate the same, and the right to collect Rents, in each case whether by a receiver or otherwise) are cumulative and in addition to any rights the Bank might otherwise have, whether at law or by agreement, and may be exercised separately or concurrently and none of which shall be exclusive of any other. The Assignor further agrees that the Bank may exercise any or all of its rights or remedies set forth herein without having to pay the Assignor any sums for use or occupancy of the Property.

4.5 Assignor's Waiver of Certain Rights. To the extent permitted by applicable law, the Assignor hereby waives the benefit of all present and future laws (i) providing for any appraisal before sale of all or any portion of the Property or (ii) in any way extending the time for the enforcement of the collection of the Obligations or creating or extending a period of redemption from any sale made hereunder.

4.6 Waiver of Right of Redemption and Other Rights. Without limitation to anything contained herein, to the full extent permitted by law, Assignor agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or claim or exercise any rights under any statute now or hereafter in force to redeem the Property or any part thereof, or relating to the marshalling thereof, on foreclosure sale or other enforcement hereof. To the full extent permitted by law, Assignor hereby expressly waives any and all rights it may have to require that the Property be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Assignor hereby expressly waives any and all rights to redemption and reinstatement under 735 ILCS 5/15-1101 on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Assignor and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof, it being the

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intent hereof that any and all such rights of redemption of Assignor and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Assignor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Bank, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Assignor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid on an action at law upon the Note. If the Assignor is a trustee, Assignor represents that the provisions of this Section (including the waiver of redemption of rights) were made at the express direction of the Assignor's beneficiaries and the persons having the power of direction over the Assignor and are made on behalf of the trust estate of the Assignor and all beneficiaries of Assignor, as well as all other persons named above. Assignor acknowledges that the Property does not constitute agricultural real estate as defined in Section 735 ILCS 5/15-1201 or residential real estate as defined in Section 735 ILCS 5/15-1201.

5. MISCELLANEOUS

5.1 Costs and Expenses. To the extent permitted by applicable law, the Assignor shall pay to the Bank, on demand, all reasonable expenses (including attorneys' fees and expenses and reasonable consulting, accounting, appraisal, brokerage and similar professional fees and charges) incurred by the Bank in connection with the Bank's interpretation, exercise, preservation or enforcement of any of its rights, remedies and options set forth in this Assignment and in connection with any litigation, proceeding or dispute whether arising hereunder or otherwise relating to the Obligations, together with interest thereon to the extent permitted by applicable law, until paid in full by the Assignor at the highest rate set forth in the Obligations. If Bank is required by legislative enactment or judicial decision to pay any charge, imposition, assessment, levy or tax in or to any state, municipality or government on the Property (or on any interest therein), this Assignment or the recording thereof, the other Loan Documents or the Obligations, other than taxes measured by the net income or gross income of the Bank, then to the extent permitted by law, Assignor shall pay, when payable, such charge, imposition, assessment, levy or tax. If under applicable law and for any reason whatsoever, Assignor is not permitted to pay, in full, all of such charges, impositions, assessments, levies and taxes, then all Obligations shall become and be due and payable, at the election of the Bank, within thirty (30) days following the Bank's notice to Assignor. Any amounts owed by the Assignor hereunder shall be, until paid, part of the Obligations and secured by this Assignment, and the Bank shall be entitled, to the extent permitted by law, to receive and retain such amounts in any action for a deficiency against or redemption by the Assignor, or any accounting for the proceeds of a foreclosure sale or of insurance proceeds.

5.2 Indemnification Regarding Leases. The Assignor hereby agrees to defend, and does hereby indemnify and hold the Bank and each of its directors, officers, employees, agents and attorneys (each an "Indemnitee") harmless from all losses, damages, claims, costs or expenses (including attorneys' fees and expenses) resulting from the assignment of the Leases and from all demands that may be asserted against such Indemnitees arising from any undertakings on the part of the Bank to perform any obligations under the Leases. It is understood that the assignment of the Leases shall not operate to place responsibility for the control or management of the Property upon the Bank or any Indemnitee or make them liable for performance of any of the obligations of the Assignor under Leases, respecting any condition of the Property or any other agreement or arrangement, written or oral, or applicable law.

5.3 Indemnification Regarding Hazardous Substances. The Assignor hereby agrees to defend, and does hereby indemnify and hold harmless each Indemnitee from and against any and all losses, damages, claims, costs or expenses, including, without limitation, litigation costs and attorneys' fees and expenses and fees or expenses of any environmental engineering or cleanup firm incurred by such Indemnitee and arising out of or in connection with the Property or resulting from the application of any current or future law, regulation or ordinance relating to the presence or cleanup of Hazardous Substances on or affecting the Property. The Assignor agrees its obligations hereunder shall be

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continuous and shall survive termination or discharge of this Assignment and/or the repayment of all debts to Bank including repayment of all Obligations.

5.4 Indemnitee's Expenses. If any Indemnitee is made a party defendant to any litigation or any claim is threatened or brought against such Indemnitee concerning this Assignment or the Property or any part thereof or therein or concerning the construction, maintenance, operation or the occupancy or use thereof by the Assignor or other person or entity, then the Assignor shall indemnify, defend and hold each Indemnitee harmless from and against all liability by reason of said litigation or claims, including attorneys' fees and expenses incurred by such Indemnitee in connection with any such litigation or claim, whether or not any such litigation or claim is prosecuted to judgment. The within indemnification shall survive payment of the Obligations, and/or any termination, release or discharge executed by the Bank in favor of the Assignor.

5.5 Waivers. The Assignor waives notice of nonpayment, demand, presentment, protest or notice of protest of the Obligations and all other notices, consents to any renewals or extensions of time of payment thereof and generally waives any and all suretyship defenses and defenses in the nature thereof. No delay or omission of the Bank in exercising or enforcing any of its rights, powers, privileges, remedies, immunities or discretion (all of which are hereinafter collectively referred to as "the Bank's rights and remedies") hereunder shall constitute a waiver thereof; and no waiver by the Bank of any default of the Assignor hereunder or of any demand shall operate as a waiver of any other default hereunder or of any other demand. No term or provision hereof shall be waived, altered or modified except with the prior written consent of the Bank, which consent makes explicit reference to this Assignment. Except as provided in the preceding sentence, no other agreement or transaction, of whatsoever nature, entered into between the Bank and the Assignor at any time (whether before, during or after the effective date or term of this Assignment) shall be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under this Assignment (nor shall anything in this Assignment be construed as a waiver, modification or limitation of any of the Bank's rights and remedies under any such other agreement or transaction) but all the Bank's rights and remedies not only under the provisions of this Assignment but also under any such other agreement or transaction shall be cumulative and not alternative or exclusive, and may be exercised by the Bank at such time or times and in such order of preference as the Bank in its sole discretion may determine.

5.6 Waiver of Homestead. To the maximum extent permitted under applicable law, the Assignor hereby waives and terminates any homestead rights and/or exemptions respecting the Property under the provisions of any applicable homestead laws, including without limitation 735 ILCS 5/12-901

5.7 Severability. If any provision of this Assignment or portion of such provision or the application thereof to any person or circumstance shall to any extent be held invalid or unenforceable, the remainder of this Assignment (or the remainder of such provision) and the application thereof to other persons or circumstances shall not be affected thereby.

5.8 Complete Agreement. This Assignment and the other Loan Documents constitute the entire agreement and understanding between and among the parties hereto relating to the subject matter hereof, and supersedes all prior proposals, negotiations, agreements and understandings among the parties hereto with respect to such subject matter.

5.9 Binding Effect of Agreement. This Assignment shall be binding upon and inure to the benefit of the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and shall remain in full force and effect (and the Bank shall be entitled to rely thereon) until all obligations are fully and indefeasibly paid. The Bank may transfer and assign this Assignment and deliver any collateral to the assignee, who shall thereupon have all of the rights of the Bank; and the Bank shall then be relieved and discharged of any responsibility or liability with respect to this Assignment and such collateral. Except as expressly provided herein or in the other Loan Documents, nothing, expressed or implied, is intended to confer upon any party, other than the parties hereto, any rights, remedies, obligations or liabilities under or by reason of this Assignment or the other Loan Documents.

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5.10 Notices. Any notices under or pursuant to this Assignment shall be deemed duly received and effective if delivered in hand to any officer or agent of the Assignor or Bank, or if mailed by registered or certified mail, return receipt requested, addressed to the Assignor or Bank at the address set forth in this Assignment or as any party may from time to time designate by written notice to the other party.

5.11 Governing Law. This Assignment is intended to take effect and has been executed or completed and is to be performed in Illinois, and it and all transactions thereunder or pursuant thereto shall be governed as to interpretation, validity, effect, rights, duties and remedies of the parties thereunder and in all other respects by the domestic laws of Illinois.

5.12 Reproductions. This Assignment and all documents which have been or may be hereinafter furnished by the Assignor to the Bank may be reproduced by the Bank by any photographic, photostatic, microfilm, xerographic or similar process, and any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made in the regular course of business).

5.13 Jurisdiction and Venue. The Assignor irrevocably submits to the nonexclusive jurisdiction of any Federal or state court sitting in Illinois, over any suit, action or proceeding arising out of or relating to this Assignment. The Assignor irrevocably waives, to the fullest extent it may effectively do so under applicable law, any objection it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that the same has been brought in an inconvenient forum. The Assignor hereby consents to any and all process which may be served in any such suit, action or proceeding, (i) by mailing a copy thereof by registered and certified mail, postage prepaid, return receipt requested, to the Assignor's address shown in this Assignment or as notified to the Bank and (ii) by serving the Assignor in any other manner otherwise permitted by law, and agrees that such service shall in every respect be deemed effective service upon the Assignor.

5.14 **JURY WAIVER. THE ASSIGNOR AND BANK EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY, AND AFTER AN OPPORTUNITY TO CONSULT WITH LEGAL COUNSEL, (A) WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING IN CONNECTION WITH THIS ASSIGNMENT, THE OBLIGATIONS, ALL MATTERS CONTEMPLATED HEREBY AND DOCUMENTS EXECUTED IN CONNECTION HERewith AND (B) AGREE NOT TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CAN NOT BE, OR HAS NOT BEEN WAIVED. THE ASSIGNOR CERTIFIES THAT NEITHER THE BANK NOR ANY OF ITS REPRESENTATIVES, AGENTS OR COUNSEL HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE BANK WOULD NOT IN THE EVENT OF ANY SUCH PROCEEDING SEEK TO ENFORCE THIS WAIVER OF RIGHT TO TRIAL BY JURY.**

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EXECUTED as of the date first above written.

Mortgagor:

By: Francisco R. Fernandez
Francisco R. Fernandez, individually

Magaly D. Fernandez
Magaly D. Fernandez, individually

STATE OF ILLINOIS
COUNTY OF COOK, SS.

The foregoing instrument was acknowledged before me this 12 day July, 2003 by
Magaly D. Fernandez.



Mary C. White, NOTARY PUBLIC
MY COMMISSION EXPIRES: 10/31/03
Mary C. White
TYPE OR PRINT NAME

STATE OF ILLINOIS
COUNTY OF COOK, SS.

The foregoing instrument was acknowledged before me this 22 day July, 2003 by
Francisco R. Fernandez.



Mary C. White, NOTARY PUBLIC
MY COMMISSION EXPIRES: 10/31/03
Mary C. White
TYPE OR PRINT NAME

UNOFFICIAL COPY

EXHIBIT "A"

Property Description

LOTS 10 AND 11 IN BLOCK 7 IN WILLIAM L. WALLEN'S ADDITION TO ROGERS PARK ACCORDING TO THE PLAT THEREOF RECORDED MARCH 29, 1913 IN BOOK 117 OF PLATS, PAGE 48 DOCUMENT 5154321 BEING A SUBDIVISION OF LOTS 2 AND 3 (EXCEPT THE WEST 17 FEET THEREOF) CONVEYED TO CHICAGO NORTHWEST RAILWAY COMPANY IN THE SUBDIVISION OF THE NORTHEAST 1.4 OF THE SOUTHWEST 1.4 OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF CHICAGO IN NORTHWEST RAILWAY IN COOK COUNTY, ILLINOIS

Property of Cook County Clerk's Office