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Cook County Recorder of Deeds
Date: 03/23/2004 11:56 AM Pg: 1 of 10

Dennis W. Winkler
Dennis W. Winkler, Ltd.
3051 Oak Grove Drive
Suite 220
Downers Grove, Illinois 60515

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ASSIGNMENT OF RENTS, LEASES AND PROFITS

Summa

THIS ASSIGNMENT, is made March 17, 2004 by and among, 1647 Addison LLC, an Illinois limited liability company (Assignor [as defined hereafter] as to Parcel 1), 1940 North Clark Street, Chicago, Illinois 60614 and Addison/Paulina Development LLC, an Illinois limited liability company (Assignor as to Parcel 2) 1940 North Clark Street, Chicago, Illinois 60614 (collectively referred to as "**Assignor**") and Builders Capital, LLC, an Illinois limited liability company, 210 Quail Ridge Drive, Westmont, Illinois 60559 ("**Assignee**").

1. Recitals.

1.1 Assignor has executed and delivered to Assignee a Promissory Note (the "**Note**"), wherein Assignor promises to pay to Assignee the sum of Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00), together with interest and other charges as therein stated (the "**Loan Amount**") upon the terms and conditions set forth therein.

1.2 Assignor has also executed, or caused to be executed, and delivered to Assignee a Mortgage and Security Agreement (the "**Mortgage**"), a Guaranty (the "**Guaranty**"), and an Environmental Indemnity Agreement (the "**Environmental Indemnity Agreement**") all of even date herewith, which together with this Assignment secure the obligation of Assignor (the "**Obligations**") pursuant to the Note (the Note, the Mortgage, the Guaranty, the Environmental Indemnity Agreement together with any and all documents or instruments executed in connection therewith, including any modifications, extensions or renewals thereof, are hereinafter referred to as the "**Loan Documents**"), all of which are incorporated herein by reference.

1.3 Assignor is the owner of certain real property, commonly known as the 1647-59 West Addison, Chicago, Illinois, as more fully described on **Exhibit A** attached hereto and incorporated herein by reference (the "**Project**").

1.4 In consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged, Assignor agrees as set forth in this Assignment.

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2. Assignment.

2.1 Subject to the Permitted Exceptions, Assignor absolutely and unconditionally grants, transfers, sets over and assigns to Assignee, all of the right, title and interest of Assignor in and to (i) all of the rents, revenues, issues, profits, proceeds, receipts, income, accounts, security and other deposits and other receivables arising out of or from the Project, including, without limitation, any payments made by any tenant in lieu of rent, lease termination fees, purchase option fees and other fees and expenses payable under any lease ("**Profits**"); (ii) all leases and subleases (collectively, "**Leases**"), now or hereafter existing, of all or any part of the Project together with all guaranties of any of such Leases and all security deposits delivered by tenants thereunder, whether in cash or letter of credit, (iii) all rights and claims for damage against tenants arising out of defaults under the Leases, including rights to termination fees and compensation with respect to rejected Leases pursuant to Section 365(a) of the Federal Bankruptcy Code or any replacement Section thereof; (iv) all tenant improvements and fixtures located on the Project; and (v) rights, interest, and privileges in all Leases now or hereafter in existence with respect to the Project or any part thereof, together with any extension or renewal of any of the Leases.

2.2 Without limitation of the foregoing, this Assignment includes Assignor's interest in the Leases described in **Exhibit B** attached hereto and hereby made a part hereof. Assignor agrees that Assignor will, immediately upon request of Assignee, execute, acknowledge and deliver specific separate assignments of any future Leases affecting the Project or any part thereof.

2.3 Notwithstanding any provision herein to the contrary, this Assignment is intended to be an absolute, unconditional and irrevocable assignment from Assignor to Assignee and not merely the passing of a security interest. All present and future rents, Leases and profits are hereby assigned absolutely and unconditionally by Assignor to Assignee. This Assignment includes an assignment of any and all guarantees of the lessees' obligations under any of the Leases.

3. Limitations on Assignment.

3.1 This Assignment is given for the purpose of securing performance by Assignor of all of its obligations under the Loan Documents and, accordingly, upon discharge of all of the Obligations, as evidenced by the satisfaction of the Mortgage (without the recording of another mortgage in favor of Assignee affecting the Project), this Assignment shall automatically become null and void.

3.2 So long as Assignor is not in Default in any material respect under the Loan Documents, Assignor shall have a license, limited as provided in this Assignment and the Loan Documents, to collect, as trustee for Assignee, all rents, issues and profits from the Project and to retain, use and enjoy the same; provided, however, Assignor agrees that it will not under any circumstances collect or accept any rent more than one (1) month prior to accrual.

4. **Assignor's Obligations.** Assignor agrees that it will perform in a complete and timely manner all of Assignor's material obligations as landlord under the Leases and in the ordinary course of the Assignor's business enforce the performance by the tenants of all their respective material obligations under the Leases. Assignor will not (other than in the normal course of Assignor's

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business) terminate the Leases, or any of them, or accept surrender of possession of any premises covered by a lease, or modify any lease, or release any tenant or any guarantor of any tenant's obligations without the prior written consent of Assignee; provided, however, that Assignor may enter into future Leases for the Project using an unmodified form of lease previously approved in writing by Assignee.

5. **Cross Default.** Any Default or Event of Default by Assignor under any of the Loan Documents shall be considered a Default under this Assignment, and any Default under this Assignment shall be considered a Default or Event of Default under the Loan Documents, and in any such event, Assignee shall be entitled to exercise all or some or any of its remedies under the Loan Documents, or as may otherwise be available to Assignee at law or in equity, in such order as Assignee may elect.

6. **Assignee Not Bound to Perform Under Leases.** Notwithstanding any legal presumption to the contrary, Assignee shall not be obligated by reason of acceptance of this Assignment to perform any obligation of Assignor as landlord under the Leases, or any of them, and Assignor hereby agrees to indemnify Assignee and hold it harmless from and against any loss, liability or damage arising from any claim of any nature by any tenant or any other party arising under or in connection with the Leases, or any of them, or this Assignment except when Assignee is in actual possession. However, Assignee may, at its option, and, following the occurrence of a Default or an Event of Default, without waiving such Default or Event of Default or releasing Assignor from any obligation hereunder, discharge any obligation which Assignor fails to discharge, or, in good faith diligently defend or contest including, without limitation, defending any legal action, and Assignor agrees to pay within five (5) days following Lender's written demand therefor all sums expended by Assignee in connection therewith, including without limitation, attorneys' fees, together with interest thereon at the rate provided for in the Note, and the same shall be added to the indebtedness evidenced by the Loan Documents.

7. **Warranties of Assignor.** Assignor hereby represents and warrants to Assignee, as a material inducement to Assignee to accept this Assignment, that:

7.1 Except as otherwise agreed to by Assignee, Assignor has not:

- A. Executed any prior assignment of the Profits or of any of Lessor's rights under the Leases, or any of them;
- B. Done, or failed to do, anything which might prevent Assignee from or limit Assignee in operating under any of the provisions hereof;

7.2 Assignor has not accepted rent under any Lease more than one month in advance of accrual;

7.3 Assignor, after reasonable investigation has not claimed nor is aware of any present default by any tenant under any Lease presently in effect;

7.4 Each Lease is in full force and effect and unmodified; and

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7.5 Assignor has delivered to Assignee true, correct and complete copies of all Leases (including all modifications, amendments, riders and addenda thereto) affecting the Project or any portion thereof.

8. Possession.

8.1 Effective immediately upon the Default or Event of Default of Assignor under the Loan Documents or any Lease, following receipt of notice and the expiration of any applicable cure period, Assignor authorizes Assignee, at its option, to enter and take possession of the Project, or any part thereof, and to manage and operate the same, to collect rents, to let or re-let the Project or any part thereof, to cancel and modify Leases, to evict tenants, to bring or defend any suits in connection with possession of the Project in its own name or Assignor's name, to make such repairs, alterations and improvements as Assignee deems appropriate, and to perform any other acts in connection with management and operation of the Project as Assignee, in its discretion, may deem appropriate.

8.2 Any income derived from the Project pursuant to subparagraph 8.1 above shall be applied, in such order and amounts as Assignee may elect in Assignee's sole discretion, to the following: commercially reasonable costs of operation and maintenance of the Project, including without limitation, management fees and professional fees, including reasonable attorneys' fees and court costs, taxes, water and sewer charges, insurance, maintenance, repairs, environmental clean-up and the like; interest due on the indebtedness secured hereby; any other amounts reasonably necessary to meet the obligations of Assignor under the Loan Documents and Leases (other than payment of the principal indebtedness).

8.3 Notwithstanding the foregoing, until Assignee takes actual possession and control of the Project, this Assignment shall not place responsibility on Assignee for the control, care, management, maintenance or repair of the Project or make Assignee responsible or liable for any injury or death to any person or property arising from any negligence in the management, operation, upkeep, repair or control of the Project.

8.4 Exercise by Assignee of its rights under Paragraph 8.1 above shall not waive or cure any Default or Event of Default under the Loan Documents nor affect any proceedings or any sale pursuant thereto.

9. Receiver. Lender may, upon any proper action or proceeding being commenced for the foreclosure of this Assignment, apply for, and Lender as a matter of right, without consideration of the value of the Project as security for the amount due Lender, or of the solvency of any person, firm or corporation obligated for the payment of such amount, shall be entitled to, the appointment by any competent court or tribunal, without prior demand or notice to any party and without the necessity of posting a bond, of a receiver of rents and profits and rental value of the Project, with power to take possession of the Project, including possession from Assignor if in possession and occupying any portion of the Project, and in the latter case to require Assignor, as a condition of remaining in possession and occupation, to pay the reasonable rental value for the use and occupation thereof, with further power to lease and repair the Project and to renovate same to suit new tenants and with such other powers as may be deemed necessary, and such receiver after

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deducting all proper charges and expenses attending the execution of such duties, shall each month pay over to Lender the residue of the said rents and profits and rental value, to be applied by Lender to the payment of the Obligations, or to any deficiency (whether or not any judgment therefor may be entered and irrespective of the market value of the Project) which may exist in the event of foreclosure by sale after applying the proceeds of the sale of the Project to the payment of the amount due, including interest, costs and expenses of such foreclosure and sale, or in the event of strict foreclosure to the payment of any deficiency existing thereunder. Assignor hereby consents to such appointment of a receiver. A receiver, while in possession of the Project, shall have the right to make repairs and to make improvements necessary or advisable in its or his opinion to preserve the Project, or to make and keep them rentable to the best advantage, and Lender may advance moneys to a receiver for such purposes. Any moneys so expended or advanced by Lender or by a receiver shall be repaid so far as possible out of the rents collected after payment of other expenses properly chargeable against said rents, and any unpaid balance of moneys so advanced or expended shall be added to and become a part of the debt secured by this Assignment.

10. **Notice to Tenants.** At any time after the occurrence of a Default or Event of Default by Assignor and the expiration of all applicable cure periods, Assignor hereby authorizes Assignee to give written notice of this Assignment to the tenants under the Leases, or some or any of them. All tenants are authorized and directed to pay rent directly to Assignee upon receipt from Assignee of a statement that Assignor is in Default hereunder or under the Loan Documents, accompanied by a demand for such payment, without any further proof of Assignor's Default.

11. **Liability.** Upon the occurrence of any Event of Default under the Loan Documents, or this Assignment, Assignor shall apply the rents and profits thereafter received by Assignor with respect to the Project directly towards the expenses of maintaining the Project and towards payment of Borrower's Liabilities. Assignor shall be liable for the proper application of such rents and profits as aforesaid and the lien of any judgment obtained to recover such costs shall, to the extent of any such rents and profits not so applied by Assignor, extend to any property now or hereafter owned by Assignor.

12. **Notices.** All notices or demands hereunder must be served by personal service, or by certified or registered mail, addressed to Assignor or Assignee, as the case may be, at the addresses set forth at the beginning of this Assignment, or to such other address as the party to be charged with such notice shall have specified by written notice to the other.

13. **Binding Nature.** This Assignment shall be binding upon Assignor and its successors and assigns, including any subsequent owner of the Real Estate or the Project, and shall inure to the benefit of Lender and its successors and assigns, including any assignee of the Loan Documents.

14. **Construction and Interpretation.** Each party expressly represents and warrants to, and agrees with, all other parties that:

14.1 Prior to executing this Assignment, said party has fully informed itself of the terms, contents, conditions and effects of this Assignment and the Loan Documents;

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14.2 Said party has:

- A. Relied solely and completely upon its own judgment in executing this Assignment and the Loan Documents;
- B. Had the opportunity to seek and has obtained the advice of counsel before executing this Assignment and the Loan Documents;
- C. Acted voluntarily and of its own free will in executing this Assignment and the Loan Documents, and is not acting under duress, whether economic or physical, in executing this Assignment and the Loan Documents.

14.3 This Assignment and the Loan Documents are the result of arm's length negotiations conducted by and among the parties and their respective counsel. Each party and their legal counsel have reviewed this Assignment and have had an opportunity to revise (or request revision of) this Assignment and, therefore, any usual rules of construction requiring that ambiguities are to be resolved against a particular party shall not be applicable in the construction and interpretation of this Assignment.

15. Incorporation of Recitals; Terms. The Recitals to this Assignment are incorporated herein. Capitalized terms not otherwise defined herein shall have the meaning accorded to them in the Loan Documents.

This Assignment has been duly executed as of the day and year specified at the beginning hereof.

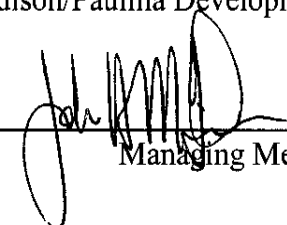
BORROWER:

1647 Addison LLC



Managing Member

Addison/Paulina Development LLC



Managing Member

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

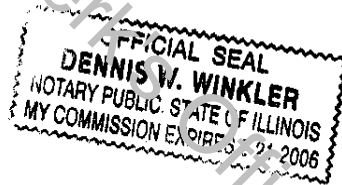
I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that John McLean of 1647 Addison LLC, an Illinois limited liability company, known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, after being duly sworn, acknowledged that:

1. The execution and implementation of this Agreement was duly authorized by the Managing Member of said Company.
2. He signed and delivered this Agreement as his own free and voluntary act for the uses and purposes therein set forth and for the uses and purposes of said Company.

Given under my hand and Notarial Seal this 17 day of March 2004.

Dennis Winkler
 NOTARY PUBLIC

My Commission Expires: 2-21, 2006



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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that *René de la Cruz* of Addison/Paulina Development LLC, an Illinois limited liability company, known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, after being duly sworn, acknowledged that:

1. The execution and implementation of this Agreement was duly authorized by the Managing Member of said Company.
2. He signed and delivered this Agreement as his own free and voluntary act for the uses and purposes therein set forth and for the uses and purposes of said Company.

Given under my hand and Notarial Seal this 17 day of March 2004.

Dennis W. Winkler

NOTARY PUBLIC

My Commission Expires: 2-21, 2006



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EXHIBIT A

Legal Description

Parcel 1

Lot 10 and the West 22 feet of Lot 9 in Block 2 in L. Turner's Resubdivision of Blocks 1 to 6, inclusive, in L. Turner's Subdivision of the Northeast 1/4 of the East 1/2 of the South East 1/4 of Section 19, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

Parcel 2

Lots 6, 7 and 8 in the East 3 feet of Lot 9 in Block 2 in L. Turner's Resubdivision of Blocks 1 to 6, inclusive, in L. Turner's Subdivision of the Northeast 1/4 of the East 1/2 of the South East 1/4 of Section 19, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Street Address: 1647-59 West Addison, Chicago, Illinois

Real Estate Tax Index Nos.: 14-19-407-001-0000

14-19-407-002-0000

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EXHIBIT B

Property of Cook County Clerk's Office

