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PPM Loan No. 06-00902

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PREPARED BY

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Rachel L. Friedman, Esq.
Land Services USA, Inc.
2 Logan Square, Suite 302
Philadelphia, PA 19103



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Cook County Recorder of Deeds
Date: 05/08/2006 02:48 PM Pg: 1 of 10

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made this 28 day of April, 2006, by and from **KTR CHICAGO LLC**, a Delaware limited liability company, having its principal place of business at Five Tower Bridge, 300 Barr Harbor Drive, Suite 150, Conshohocken, Pennsylvania 19428 ("Assignor"), to and for the benefit of **JACKSON NATIONAL LIFE INSURANCE COMPANY**, a Michigan corporation, having offices c/o PPM Finance, Inc., 225 W. Wacker Drive, Suite 1200, Chicago, IL 60606 ("Assignee").

RECITALS:

A. Assignor is the owner of certain real property located in Cook County, State of Illinois more particularly described in Exhibit A attached hereto ("Project").

B. Assignee has made certain loans (collectively, the "Loan") to Assignor, 100 Hollister LLC and KTR Quorum, LLC (collectively, "Borrower") pursuant to a loan agreement (the "Loan Agreement") of even date herewith. The initial advance of the Loan is evidenced by Assignor's and 100 Hollister LLC's promissory note ("Note") of even date herewith in the original principal amount of \$21,201,700.00 and KTR Quorum LLC's promissory note of even date herewith in the original principal amount of \$25,798,300.00 (such promissory notes, collectively, the "Note") secured by, among other things, a Mortgage from Assignor ("Mortgage") of even date herewith and recorded contemporaneously herewith and a guaranty by Assignor and 100 Hollister LLC of KTR Quorum LLC's promissory note (the "Guaranty"). The obligations of Assignor under the Loan Agreement, the Note, the Mortgage and the other Loan Documents are referred to herein as the "Obligations".

C. Assignor is required as a condition to the making of the Loan to transfer and assign to Assignee, absolutely and unconditionally, all of Assignor's right, title and interest in, to and under the Leases and Rents, defined in Section 1 below.

AGREEMENT:

NOW, THEREFORE, as an inducement for the making of the Loan, Assignor hereby represents, warrants, covenants and agrees as follows:

**LANDAMERICA / LAWYERS TITLE
COMMERCIAL SERVICES 11344
10 S. LA SALLE STREET
SUITE 2500
CHICAGO, IL 60603**

PHBF13878842

10845040
Lawyers Unit # 11344 Case #

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1. **Definitions.** As used herein, the following terms shall have the following meanings:

"Event of Default" means an Event of Default, as defined in the Loan Agreement.

"Leases" means all leases, subleases, rental contracts, occupancy agreements, licenses and other arrangements (in each case whether existing now or in the future) pursuant to which any person or entity occupies or has the right to occupy or use any portion of the Project, and includes (a) any supplement, modification, amendment, renewal or extension of any Lease and (b) any security or guaranty for any Lease.

"Lessees" means the lessees under the Leases or any subtenants or occupants of the Project.

"Rents" means all rents, issues, income, revenues, royalties, profits and other amounts now or in the future payable under any of the Leases, including those past due and unpaid.

Capitalized terms used in this Assignment and not otherwise defined are used as defined in the Loan Agreement.

2. **Assignment.** Assignor hereby absolutely and unconditionally transfers, sets over and assigns to Assignee all present and future right, title and interest of Assignor in, to and under the Leases and the Rents, together with all advance payments, security deposits and other amounts paid or payable to or deposited with Assignor under any of the Leases and all other rights and interests of Assignor under or in respect of any of the Leases. This Assignment is intended to be and is an absolute present assignment from Assignor to Assignee and not the mere passage of a security interest or a provision of additional security, it being intended hereby to establish a complete and present transfer of all Leases and Rents with the right, but without the obligation, to collect all Rents.

3. **License.** Except as hereinafter set forth, Assignor shall have a license to collect the Rents accruing under the Leases as they become due ("License"), but not more than 30 days in advance, and to enforce the Leases. The License is revocable, at Assignee's option, in the event there occurs an Event of Default. Assignor covenants and agrees that in exercising its License it shall hold all Rents in trust and shall apply the same first to the payment of the reasonable expenses of owning, maintaining, repairing, operating and renting the Project and then to payment of the Obligations.

4. **Bankruptcy of Lessee.** In the event there is an Event of Default and if a Lessee under a Lease files or has filed against it any petition in bankruptcy or for reorganization or undertakes or is subject to similar action, Assignee shall have, and is hereby assigned by Assignor, all of the rights which would otherwise inure to the benefit of Assignor in such proceedings, including, without limitation, the right to seek "adequate protection" of its interests, to compel rejection of any Lease, and to seek such claims and awards as may be sought or granted in connection with the rejection of such Lease. Unless otherwise consented to by Assignee in writing, Assignee's exercise of any of the rights provided in this Section shall preclude Assignor from the pursuit and benefit thereof without any further action or proceeding of any nature. Assignee, however, shall

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not be obligated to make timely filings of claims in any bankruptcy, reorganization or similar action, or to otherwise pursue creditor's rights therein.

5. **Representations and Warranties.** Assignor hereby represents and warrants to Assignee that: (a) Assignor is the absolute owner of the entire lessor's interest in each of the Leases, with absolute right and title to assign the Leases and the Rents; (b) the Leases are valid, enforceable and in full force and effect and have not been modified, amended or terminated, or any of the terms and conditions thereof waived, except as stated herein; (c) there are no outstanding assignments or pledges of the Leases or of the Rents and no other party has any right, title or interest in the Leases or the Rents; (d) there are no existing defaults under any of the Leases except as otherwise disclosed in the Rent Roll (as defined in the Loan Agreement); (e) no Lessee has any defense, set-off or counterclaim against Assignor; (f) except as otherwise reflected in the Rent Roll, each Lessee is in possession and paying rent and other charges under its Lease and as provided therein; (g) there are no unextinguished rent concessions, abatements and/or other amendments relating to the Lessees and/or the Leases, and no Lessee has any purchase option or first refusal right or any right or option for additional space with respect to the Project, except as reflected in the Rent Roll; (h) Assignor has not accepted prepayments of installments of rent or any other charges under any Lease for a period of more than one (1) month in advance; and (i) all work required to be performed by Assignor, as landlord, as of the date hereof under any Lease has been completed in accordance with the provisions of the Lease.

6. **New Leases and Lease Terminations and Modifications.** Except as expressly permitted in the Loan Agreement, Assignor shall not enter into, cancel, surrender or terminate, amend or modify any Lease, or make any subsequent assignment or pledge of a Lease, or consent to subordination of the interest of any Lessee in any Lease, without the prior written consent of Assignee. Any attempt to do so without the prior written consent of Assignee shall be null and void. Assignor shall not, without Assignee's prior written consent: (a) except as permitted by the Loan Agreement, consent to any Lease assignment or subletting; (b) execute any other assignment or pledge of the Leases, of any interest therein, or of any Rents, or agree to a subordination of any Lease to any mortgage or other encumbrance now or hereafter affecting the Project; or (c) permit a material alteration of or addition to the Project by any Lessee, unless the right to alter or enlarge is expressly reserved by Lessee in the Lease. Assignor hereby covenants not to accept rent under any Lease more than one month in advance of its due date.

7. **Cancellation of Lease.** In the event that any Lease permits cancellation thereof on payment of consideration and the privilege of cancellation is exercised, the payments made or to be made by reason thereof are hereby assigned to Assignee to be applied, at the election of Assignee, to the Obligations in whatever order Assignee shall choose in its discretion, except that no prepayment premium or penalty, including, but not limited to, the Premium (as defined in the Note), shall be owing in connection with such application.

8. **Assignor to Ensure Continued Performance under Leases.** Assignor shall perform all of its covenants as Lessor under the Leases, and shall not permit any release of liability of any Lessee or any withholding of rent payments by any Lessee. Assignor shall promptly deliver to Assignee copies of any and all notices of default Assignor has sent to any Lessee. Assignor shall enforce at Assignor's expense any one or more of the Leases and all remedies available to Assignor thereunder upon any Lessee's default. Assignor shall deliver to Assignee copies of all

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papers served in connection with any such enforcement proceedings and shall consult with Assignee, its agents and attorneys with respect to the conduct thereof; provided that Assignor shall not enter into any settlement of any such proceeding without Assignee's prior written consent.

9. Default of Assignor.

9.1 Remedies. If an Event of Default occurs, Assignor's License to collect Rents shall immediately cease and terminate. Assignee shall thereupon be authorized at its option to enter and take possession of all or part of the Project, in person or by agent, employee or court appointed receiver, and to perform all acts necessary for the operation and maintenance of the Project in the same manner and to the same extent that Assignor might reasonably so act. In furtherance thereof, Assignee shall be authorized, but under no obligation, to collect the Rents arising from the Leases, and to enforce performance of any other terms of the Leases including, but not limited to, Assignor's rights to fix or modify rents, sue for possession of the leased premises, relet all or part of the leased premises, and collect all Rents under such new Leases. Assignor shall also pay to Assignee, promptly upon any Event of Default: (a) all rent prepayments and security or other deposits paid to Assignor pursuant to any Lease assigned hereunder; and (b) all charges for services or facilities or for escalations which have theretofore been paid pursuant to any such Lease to the extent allocable to any period from and after such Event of Default. Assignee will, after payment of all proper costs, charges and any damages including, without limitation, those payable pursuant to Section 10 hereof, apply the net amount of such Rents to the Obligations. Assignee shall have sole discretion as to the manner in which such Rents are to be applied, the reasonableness of the costs to which they are applied, and the items that will be credited thereby.

9.2 Notice to Lessee. Assignor hereby irrevocably authorizes each Lessee, upon demand and notice from Assignee of the occurrence of an Event of Default, to pay all Rents under the Leases to Assignee. Assignor agrees that each Lessee shall have the right to rely upon any notice from Assignee directing such Lessee to pay all Rents to Assignee, without any obligation to inquire as to the actual existence of an Event of Default, notwithstanding any notice from or claim of Assignor to the contrary. Assignor shall have no claim against any Lessee for any Rents paid by Lessee to Assignee. At such time as no Event of Default exists, Assignee may give each Lessee written notice of such cure and, thereafter, until further notice from Assignee, each such Lessee shall pay the Rents to Assignor.

9.3 Assignor's Possession After Default. Following the occurrence of an Event of Default, if Assignor is in possession of the Project and is not required to surrender such possession hereunder, Assignor shall pay monthly in advance to Assignee, on Assignee's entry into possession pursuant to Section 9.1 hereof, or to any receiver appointed to collect the Rents, the fair and reasonable value for the use and occupancy of the Project or such part thereof as may be in the possession of Assignor. Upon default in any such payment, Assignor shall forthwith vacate and surrender such possession to Assignee or such receiver and, in default thereof, Assignor may be evicted by summary or any other available proceedings or actions.

9.4 Assignment of Defaulting Assignor's Interest in Lease. Assignee shall have the right to assign Assignor's right, title and interest in and to the Leases to any person acquiring title

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to the Project through foreclosure or otherwise. Such assignee shall not be liable to account to Assignor for the Rents thereafter accruing.

9.5 No Waiver. Assignee's failure to avail itself of any of its rights under this Assignment for any period of time, or at any time or times, shall not constitute a waiver thereof. Assignee's rights and remedies hereunder are cumulative, and not in lieu of, but in addition to, any other rights and remedies Assignee has under the Loan Agreement, the Note, the Mortgage and any other Loan Documents. Assignee's rights and remedies hereunder may be exercised as often as Assignee deems expedient.

9.6 Costs and Expenses. The cost and expenses (including any receiver's fees) incurred by Assignee pursuant to the powers contained in this Assignment shall be immediately reimbursed by Assignor to Assignee on demand, shall be secured hereby and shall bear interest from the date incurred at the Default Rate. Assignee shall not be liable to account to Assignor for any action taken pursuant hereto, other than to account for any Rents actually received by Assignee.

10. Indemnification of Assignee. Assignor hereby agrees to indemnify, defend, protect and hold Assignee harmless from and against any and all liability, loss, cost, expense or damage (including reasonable attorneys' fees) that Assignee may or might incur under the Leases or by reason of this Assignment, but only to the extent based upon acts or omissions of Assignor prior to the time Assignee has taken actual possession of the Project. Nothing in this Section shall be construed to bind Assignee to the performance of any Lease provisions, or to otherwise impose any liability upon Assignee, including, without limitation, any liability under covenants of quiet enjoyment in the Leases in the event that any Lessee shall have been joined as party defendant in any action to foreclose the Mortgage and shall have been barred thereby of all right, title, interest, and equity of redemption in the Project. This Assignment imposes no liability upon Assignee for the operation and maintenance of the Project or for carrying out the terms of any Lease before Assignee has entered and taken possession of the Project. Any loss or liability incurred by Assignee by reason of actual entry and taking possession under any Lease or this Assignment or in the defense of any claims shall, at Assignee's request, be reimbursed by Assignor, excluding, however, losses or liabilities resulting from the negligence or willful misconduct of Assignee or its agents, contractors or representatives. Such reimbursement shall include interest at the Default Rate provided in the Note, costs, expenses and reasonable attorneys' fees. Assignee may, upon an Event of Default enter and take possession, and/or collect the Rents and apply them to reimbursement for any such loss or liability. The provisions of this Section 10 shall survive repayment of the Obligations and any termination, satisfaction or foreclosure of this Assignment.

11. Additions to, Changes in and Replacement of Obligations. Assignee may take security in addition to the security already given Assignee for the payment of the Obligations or release such other security, and may release any party primarily or secondarily liable on the Obligations, may grant or make extensions, renewals, modifications or indulgences with respect to the Obligations or the Mortgage and replacements thereof, which replacements of the Obligations or the Mortgage may be on the same terms as, or on terms different from, the present terms of the Obligations or the Mortgage, and may apply any other security held by it to the satisfaction of the Obligations, without prejudice to any of its rights hereunder.

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12. **Power of Attorney.** In furtherance of the purposes of this Assignment, Assignor hereby appoints Assignee as Assignor's attorney-in-fact, with full authority in the place of Assignor, at the option of Assignee at any time after the occurrence and during the continuance of an Event of Default, and in the name of Assignor or Assignee, to: (a) collect, demand and receive the Rents and other amounts payable under any Lease, (b) bring suit and take other action to enforce the Leases, (c) enforce, supplement, modify, amend, renew, extend, terminate and otherwise administer the Leases and deal with Lessees in relation to the Leases, (d) give notices, receipts, releases and satisfactions with respect to the Leases and the Rents and other amounts payable under any Lease, and (e) take such other action as Assignee may reasonably deem necessary or advisable in connection with the exercise of any right or remedy or any other action taken by Assignee under this Assignment.

13. **No Mortgagee in Possession; No Other Liability.** The acceptance by Assignee of this Assignment, with all of the rights, power, privileges and authority so created, shall not, prior to entry upon and taking of possession of the Project by Assignee, be deemed or construed to: (a) constitute Assignee as a mortgagee in possession nor thereafter or at any time or in any event obligate Assignee to appear in or defend any action or proceeding relating to the Leases or to the Project; (b) require Assignee to take any action hereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Leases; or (c) require Assignee to assume any obligation or responsibility for any security deposits or other deposits delivered to Assignor by Lessees and not assigned and delivered to Assignee. Assignee shall not be liable in any way for any injury or damage to person or property sustained by any person in or about the Project.

14. **Termination of Assignment.** When Assignor pays Assignee the full amount of the Obligations or the Mortgage is released pursuant to Sections 10 or 11 of the Loan Agreement, and such payment or release is evidenced by a recorded satisfaction or release of the Mortgage, this Assignment shall terminate. If only a portion of the Project is released from the lien of the Mortgage, this Assignment shall be of no further force and effect as to the portion so released, but this Assignment shall continue in full force and effect as to the portion of the Project remaining subject to the lien of the Mortgage.

15. **Miscellaneous.**

15.1 **Severability.** If any term of this Assignment or the application hereof to any person or set of circumstances, shall to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such provision or part thereof to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term of this Assignment shall be valid and enforceable to the fullest extent consistent with applicable law.

15.2 **Captions.** The captions or headings at the beginning of each Section hereof are for the convenience of the parties only and are not part of this Assignment.

15.3 **Counterparts.** This Assignment may be executed in two or more counterparts, each of which shall be deemed an original, and all of which shall be construed together and shall

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constitute one instrument. It shall not be necessary in making proof of this Assignment to produce or account for more than one such counterpart.

15.4 Notices. All notices or other written communications hereunder shall be given in the manner set forth in the Loan Agreement.

15.5 Modification. No amendment, modification or cancellation of this Assignment or any part hereof shall be enforceable without Assignee's prior written consent.

15.6 Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.

15.7 Successors and Assigns; Gender. The terms, covenants, conditions and warranties contained herein and the powers granted hereby shall run with the land, shall inure to the benefit of and bind all parties hereto and their respective heirs, executors, administrators, successors and assigns, and all subsequent owners of the Project, and all subsequent holders of the Note and the Mortgage, subject in all events to the provisions of the Mortgage and the Loan Agreement regarding transfers of the Project by Assignor. In this Assignment, whenever the context so requires, the masculine gender shall include the feminine and/or neuter and the singular number shall include the plural and conversely in each case. If there is more than one party constituting Assignor, all obligations of each Assignor hereunder shall be joint and several.

15.8 Expenses. Assignor shall pay on demand all costs and expenses incurred by Assignee in connection with the review of Leases, including reasonable fees and expenses of Assignee's outside counsel.

16. Limitation on Personal Liability. Reference is hereby made to Section 9.18 of the Loan Agreement entitled "Limitation on Personal Liability," which Section is hereby incorporated herein by reference to the same extent as if it were set forth herein.

17. **WAIVER OF TRIAL BY JURY**. ASSIGNOR HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM FILED BY EITHER PARTY, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THIS ASSIGNMENT, OR ANY ACTS OR OMISSIONS OF ASSIGNEE IN CONNECTION THEREWITH.

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SIGNATURE PAGE FOLLOWS.]

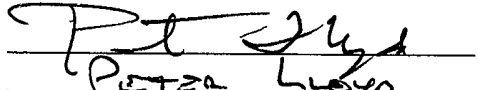
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IN WITNESS WHEREOF, Assignor has caused this Assignment to be duly executed as of the day and year first above written.

ASSIGNOR:

KTR CHICAGO LLC, a Delaware limited liability company

By: KIF Property Trust, a Maryland real estate investment trust, its sole member

By: 
 Name: PETZA LUGO
 Title: SENIOR VICE PRESIDENT

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COMMONWEALTH OF PENNSYLVANIA :

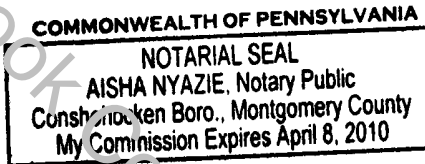
: SS

COUNTY OF PHILADELPHIA :

On this 28th day of April, 2006, before me, the undersigned, a notary public in and for the State and County aforesaid, personally appeared Peter Lloyd, who acknowledged himself to be the Senior VP of KIF Property Trust, sole member of KTR Chicago LLC, a Delaware limited liability company and that he as such officer, being authorized to do so, acknowledged that he executed the foregoing instrument for the purposes therein contained by signing the name of the sole member of the limited liability company by himself as such officer.

In Witness Whereof, I have hereunto set my hand and official seal.

Aisha Nyazie
Notary Public
My Commission Expires:



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EXHIBIT A

LEGAL DESCRIPTION

Parcel 1:

The East 322.51 feet of the West 447 feet of Lot 14 (except the South 339 feet thereof) in Bedford Industrial Park, a subdivision in Section 19, Township 38 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

A triangular portion of said Lot 14 described as follows:

Beginning at the most Northwesterly corner of said lot; thence East on the North line thereof 124.49 feet to a corner of said lot, being the point of beginning of this parcel; thence South along a boundary line of said lot, being a line 1100.0 feet East of West line of the Northwest 1/4 of Section 19, a distance of 71.20 feet to a boundary line of said lot, said line being the East and West Quarter line of said Section; thence West on said line 0.40 of a foot to a point in a line 124.49 feet East of the West line of said lot; thence North on said line 71.20 feet to the place of beginning, all in Bedford Industrial Park, a subdivision in Section 19, Township 38 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3:

A strip of land in the Northwesterly 1/4 of said Section 19, described as follows:

Beginning at a point in the East and West Quarter of said Section 19, 1100.0 feet East of the West Quarter thereof; thence East on said line 322.11 feet to a point in a line that is 447 feet East of the West line of said Lot 14; thence North on said line, 71.20 feet; thence West parallel to said East and West Quarter line, 322.51 feet to a point in a line 1100.00 feet East of the West line of the Southwesterly Quarter of said Section; thence South on said line, 71.20 feet to the place of beginning, in Cook County, Illinois; also described as:

Lot A in First Addition to Bedford Industrial Park, being a subdivision of part of the Northwest 1/4 of Section 19, Township 38 North, Range 13, and also a resubdivision of the East 66 feet of the West 513 feet of Lot 14 in Bedford Industrial Park, a subdivision of part of Section 19, aforesaid.

P.I.N.S.:	19-19-116-058-0000
	19-19-116-060-0000
	19-19-117-073-0000
	19-19-301-010-0000

Commonly known as:	6700 S. Sayre Avenue Bedford Industrial Park Chicago, Illinois
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