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Cook County Recorder 33.00

RECORDATION REQUESTED BY:
U.S. Bank National Association
9918 Hibert Street, 2nd Floor
San Diego, CA 92131

WHEN RECORDED MAIL TO:
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9918 Hibert Street, 2nd Floor
San Diego, CA 92131
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J.H.S.

This Lessee's Assignment of Lease and Subordination prepared by:

U.S. Bank National Association
9918 Hibert Street, Suite 301
San Diego, CA 92131

LESSEE'S ASSIGNMENT OF LEASE AND SUBORDINATION

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

THIS SUBORDINATION OF LEASE AGREEMENT dated November 17, 1999 is entered into between George Bansa and Marlena Bansa, tenants by the entirety ("Borrower"), Little People's Day Care and Kindergarten, Inc. ("Lessee") and U.S. Bank National Association ("Lender"). In this Agreement Borrower is the owner and lessor of the real property described below, which is sometimes referred to in this Agreement as the "Premises."

LEASE. Lessee has executed one or more leases dated 11-16-1999 of the following described property (the "Subordinated Lease").

REAL PROPERTY DESCRIPTION. The Lease covers the following described real property (the "Real Property") located in Cook County, State of Illinois:

THAT PART OF LOT 8 IN JOHN C. URE'S SUBDIVISION OF PART OF THE SOUTHEAST 1/4 LYING NORTH OF THE INDIAN BOUNDARY LINE AND EAST OF GREEN BAY ROAD IN SECTION 30, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: SEE ATTACHED EXHIBIT "A"

The Real Property or its address is commonly known as 7428 North Rogers Avenue, Chicago, IL 60626. The Real Property tax identification number is Perm Tax #11-30-411-019-0000.

REQUESTED FINANCIAL ACCOMMODATIONS. Borrower and Lessee each want Lender to provide financial accommodations to Borrower (the "Superior Indebtedness") in the form of (a) new credit or loan advances, (b) an extension of time to pay or other compromises regarding all or part of Borrower's present indebtedness to Lender, or (c) other benefits to Borrower. Now, therefore, Borrower and Lessee each represent and acknowledge to Lender that Lessee will benefit as a result of these financial accommodations from Lender to Borrower, and Lessee acknowledges receipt of valuable consideration for entering into this Agreement.

LENDER'S LIEN. As a condition to the granting of the requested financial accommodations, Lender has required that its mortgage, deed of trust or other lien on the Real Property ("Lender's Lien") be and remain superior to Lessee's interest in the Subordinated Lease.

BOX 333-CTI

ASSIGNMENT OF LEASE. As an additional condition to the granting of the requested financial accommodations, Lender has also required an assignment, with right of reassignment, of the Subordinate Lease (also referred to as the "Lease" in this Agreement).

NOW THEREFORE THE PARTIES TO THIS AGREEMENT HEREBY AGREE AS FOLLOWS:

SUBORDINATION. All of Lessee's right, title and interest in and to the Subordinated Lease and the Real Property is hereby subordinated in all respects to Lender's Lien and the Superior Indebtedness, and it is hereby agreed that Lender's Lien shall be and remain, at all times, prior and superior to Lessee's interests in the Subordinated Lease and the Real Property. Lessee also subordinates to Lender's Lien all other Security Interests in the Real Property held by Lessee, whether now existing or hereafter acquired. The words "Security Interest" mean and include without limitation any type of collateral security, whether in the form of a lien, charge, mortgage, deed of trust, assignment, pledge, chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

LESSEE'S ASSIGNMENT OF LEASE. For value received, and as security for the financial accommodations (the "Loan") and as security for all other loans, advances or other financial accommodation, whenever made, issued or extended by Lender to Borrower or Lessee, Lessee hereby grants Lender a security interest in, and does hereby irrevocably assign, transfer and set over to Lender all of Lessee's right, title and interest in and to the leasehold granted and created by the Lease. As long as Lessee is not in default in the performance of any of Lessee's obligations under the Lease and so long as there is no default under this Agreement or under any other document securing the Guaranty or otherwise executed in connection with the Loan (hereinafter collectively referred to as the "Loan Documents"), Lessee may remain in possession of the Premises under the terms, covenants and conditions of the Lease.

REPRESENTATIONS AND WARRANTIES. Lessee hereby represents and warrants to Lender that Lessee has heretofore delivered to Lender a true, correct and complete copy of the Lease, which constitutes the entire agreement between the parties thereto and Lessee further acknowledges that the Lease is in full force and effect and that no default by Lessee or, to Lessee's knowledge, by other party under the terms and provisions of the Lease exists as of the date hereof.

LESSEE'S PERFORMANCE UNDER THE LEASE. Lessee covenants and agrees with Lender that Lessee will perform all of the covenants, conditions, and agreements of the Lease and will keep the Lender, its successors and assigns indemnified against all losses, liabilities, actions, suits, expenses and claims on account of non-payment of rent or other breach of the Lease. Default by Lessee of any obligation set forth in the Lease shall constitute a default under this Agreement.

CONSENT TO ASSIGNMENT. Apart from any contrary language that might exist in the Lease, Borrower hereby consents to the creation and grant of the security interest and assignment of Lessee's interest in the Lease to Lender and further consents to the Lender's possession, enjoyment and assumption of the Lease in the place and stead of Lessee in the event a default occurs under the terms and conditions of any Loan Document. Lessee further acknowledges that, as long as Lender has a security interest in the Lease, any modification, alteration or amendment of any of the terms thereof without the prior written approval of Lender, such approval not to be unreasonably withheld, shall be null and void. Notwithstanding the prior sentence, Borrower shall not be prevented from deeming the Lease to be terminated pursuant to its terms so long as appropriate notice and opportunity to cure any default has been given. Lessee agrees to provide Lender with simultaneous notice of any default as a result of which Borrower intends to terminate the Lease or commence any judicial proceeding to recover possession of the Premises, whether by an action for unlawful detainer, summary eviction or otherwise.

Borrower and Lessee further agrees that upon Lender's receipt of a notice of default from Borrower, Lender shall have the option to (1) assume the Lessee's obligations under the Lease, cure the aforesaid default and take possession of the Premises as a lessee or assign the Lease to any third party, subject to the approval of Borrower of such third party as set forth in the Lease, which approval shall not be unreasonably withheld; or (2) take no action whatsoever in the event Lender elects not to enforce its security interest in the Lease. Until Lender has elected to enter into possession of the Premises, it shall have no obligation or responsibility to pay rent or to perform or observe any of the terms, covenants or conditions of the Lease. Lender shall have no further rights in the assigned Lease under this Agreement in the event it should fail, within ninety (90) days of its receipt of written notice that Lessee is in default, to inform Borrower in writing of its intention to cure the default and to initiate such action as may be necessary to take possession of the Premises; provided, however, that in the event Lender is restrained, enjoined or stayed from taking possession of the Premises, Borrower shall not terminate the Lease as long as Lender is making a good faith effort to vacate such restraining order, injunction or stay. All damages of Borrower accruing during any such period of prohibition, injunction, or stay, not to exceed ninety (90) days from the entry of any such order of prohibition, injunction, or stay shall be deemed the sole liability of Lessee; and shall not be attributable to Lender in the calculation of Lender's cure upon default.

Borrower further agrees that if Lender has elected to take possession of the leased Premises and should thereafter assign, convey or otherwise transfer its leasehold interest to a third party, Borrower shall release Lender from any and all further liability under the Lease and have recourse only against the transferee. Any sums expended by Lender in connection with the Lease as well as all costs, expenses and attorneys' fees incurred by Lender relating thereto shall become a part of the indebtedness secured hereby and shall become immediately due and payable from Lessee without demand and shall bear interest at the same rate as the secured indebtedness.

LEASE TERMINATION. Borrower further agrees that in the event Borrower is informed by Lender in writing of its intention to assume the Lease and there is a termination of the Lease as the result of any bankruptcy or related insolvency proceeding commenced by or against the Lessee; Lessee, within thirty (30) days of such termination, will enter into a new lease with Lender on substantially the same terms and conditions as set forth in the Lease

and, if Lender should thereafter assign, convey or otherwise transfer its leasehold interest to a third party, Borrower shall release Lender from any and all further liability under the Lease and shall have recourse only against the transferee.

PERSONAL PROPERTY COLLATERAL. Borrower and Lessee further acknowledge and agree that to the extent, Lender now or hereafter has a security interest in any of Lessee's personal property, which now or hereafter may be located on or affixed to the Premises (the "Collateral"), the following provisions shall apply with regard to such Collateral: (a) Borrower hereby consents to Lender's security interest (or other interest) in the Collateral and disclaims all interests, liens and claims which Borrower now has or may hereafter acquire in the Collateral. (b) Borrower agrees that any lien or claim it may now have or may hereafter have in the Collateral will be subject at all times to Lender's security interest (or other present or future interest) in the Collateral and will be subject to the rights granted by Landlord to Lender in this Agreement. (c) Borrower and Lessee grant to Lender the right to enter upon the Premises for the purpose of removing the Collateral from the Premises or conducting sales of the Collateral on the Premises. The rights granted to Lender in this Agreement will continue until a reasonable time after Lender receives notice in writing from Borrower that Lessee no longer is in lawful possession of the Premises. If Lender enters onto the Premises and removes the Collateral, Lender agrees with Borrower not to remove any Collateral in such a way that the Premises are damaged, without either repairing any such damage or crediting Borrower for the cost of repair.

OTHER RIGHTS. The rights, powers and remedies given to Lender by this Agreement shall be in addition to all rights, powers and remedies given to Lender by virtue of any statute or rule of law. Any forbearance or failure or delay by Lender in exercising any right, power or remedy hereunder against the Lessee, shall not be deemed to be a waiver of such power or remedy against the Lessee, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof and such right, power or remedy shall continue in full force and effect until such right, power and remedy is specifically waived by an instrument in writing executed by Lender. No waiver by Lender of any default shall operate as a waiver of any other default or of the same default on a future occasion.

LESSEE'S REPRESENTATIONS AND WARRANTIES. Lessee represents and warrants to Lender that: (a) no representations or agreements of any kind have been made to Lessee which would limit or qualify in any way the terms of this Agreement; (b) this Agreement is executed at Borrower's request and not at the request of Lender; (c) Lender has made no representation to Lessee as to the creditworthiness of Borrower; and (d) Lessee has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Lessee agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Lessee's risks under this Agreement, and Lessee further agrees that Lender shall have no obligation to disclose to Lessee information or material acquired by Lender in the course of its relationship with Borrower.

LESSEE'S WAIVERS. Lessee waives any right to require Lender: (a) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (b) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of any Superior Indebtedness secured by Lender's Lien, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Superior Indebtedness, or in connection with the creation of new or additional indebtedness; (c) to resort for payment or to proceed directly or at once against any person, including Borrower; (d) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (e) to pursue any other remedy within Lender's power; or (f) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.

LENDER'S RIGHTS. Lender may take or omit any and all actions with respect to Lender's Lien without affecting whatsoever any of Lender's rights under this Agreement. In particular, without limitation, Lender may, without notice of any kind to Lessee, (a) make one or more additional secured or unsecured loans to Borrower; (b) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Superior Indebtedness or any part thereof, including increases and decreases of the rate of interest on the Superior Indebtedness; extensions may be repeated and may be for longer than the original loan term; (c) take and hold collateral for the payment of the Superior Indebtedness, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (d) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Lender chooses; (e) determine how, when and what application of payments and credits, shall be made on the Superior Indebtedness; (f) apply such security and direct the order or manner of sale thereof, as Lender in its discretion may determine; and (g) assign this Agreement in whole or in part.

DEFAULT BY BORROWER. If Borrower becomes insolvent or bankrupt, this Agreement shall remain in full force and effect.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Applicable Law. This Agreement has been delivered to Lender and accepted by Lender in the State of California. If there is a lawsuit, Lessee and Borrower agree upon Lender's request to submit to the jurisdiction of the courts of San Diego County, State of California. This Agreement shall be governed by and construed in accordance with the laws of the State of California. No provision contained in this Agreement shall be construed (a) as requiring Lender to grant to Borrower or to Lessee any financial assistance or other accommodations, or (b) as limiting or precluding Lender from the exercise of Lender's own judgment and discretion about amounts and times of payment in making loans or extending accommodations to Borrower.

Amendments. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless made in writing and signed by Lender, Borrower, and Lessee.

Attorneys' Fees; Expenses. Lessee and Borrower agree to pay upon demand all of Lender's costs and

expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Lessee and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Lessee and Borrower also shall pay all court costs and such additional fees as may be directed by the court.

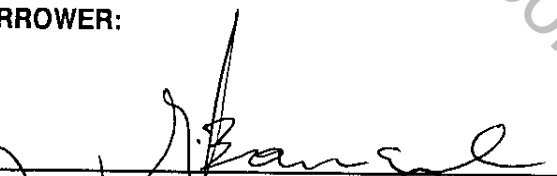
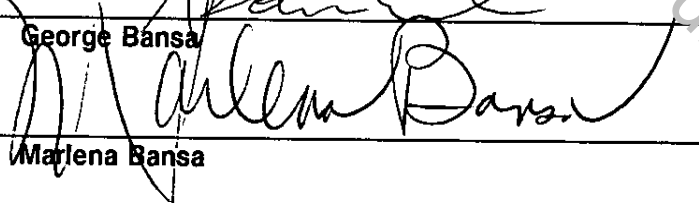
Successors. This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement, and the covenants of Borrower and Lessee herein in favor of Lender shall extend to, include, and be enforceable by any transferee or endorsee to whom Lender may transfer any or all of the Superior Indebtedness.

Waiver. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Lessee, shall constitute a waiver of any of Lender's rights or of any of Lessee's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND.

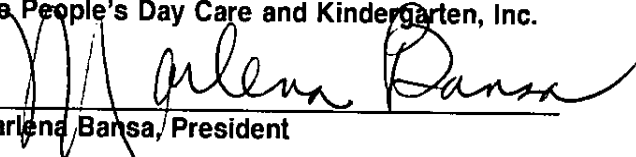
EACH PARTY TO THIS LESSEE'S ASSIGNMENT OF LEASE AND SUBORDINATION ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS.


BORROWER:

X 
George Bansa
X 
Marlana Bansa

LESSEE:

Little People's Day Care and Kindergarten, Inc.

By 
Marlana Bansa, President

By 
Marlana Bansa, Secretary

LENDER:

U.S. Bank National Association

By: [Signature]
Authorized Officer

INDIVIDUAL ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

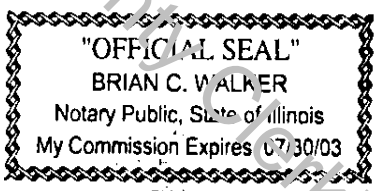
On this day before me, the undersigned Notary Public, personally appeared **George Bansa and Marlena Bansa**, to me known to be the individuals described in and who executed the Lessee's Assignment of Lease and Subordination, and acknowledged that they signed the Agreement as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 23 day of NOV, 19 99.

By [Signature] Residing at 3657 S. EUCLID BEAVER IL

Notary Public in and for the State of ILLINOIS

My commission expires _____



COOK COUNTY CLERK'S Office

CORPORATE ACKNOWLEDGMENT

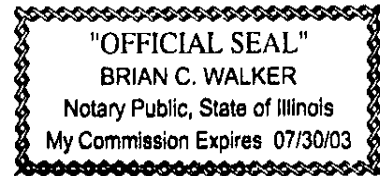
STATE OF ILLINOIS
)
) ss
COUNTY OF COOK

On this 23 day of NOV, 19 99, before me, the undersigned Notary Public, personally appeared **Marlena Bansa, President; and Marlena Bansa, Secretary of Little People's Day Care and Kindergarten, Inc.**, and known to me to be authorized agents of the corporation that executed the Lessee's Assignment of Lease and Subordination and acknowledged the Agreement to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Agreement and in fact executed the Agreement on behalf of the corporation.

By [Signature] Residing at 3552 S EUCLID

Notary Public in and for the State of ILLINOIS

My commission expires _____



LENDER ACKNOWLEDGMENT

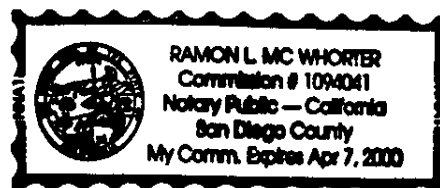
STATE OF California
)
) ss
COUNTY OF San Diego

On this 19th day of November, 19 99, before me, the undersigned Notary Public, personally appeared Yvonne McCamon and known to me to be the PERSONALLY authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument.

By [Signature] Residing at 9918 Arbut St. S.D. CA. 92131

Notary Public in and for the State of California

My commission expires 4-7-2000



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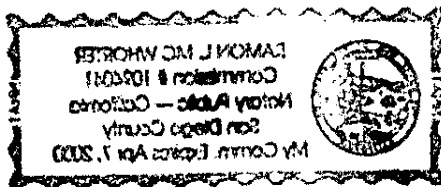


EXHIBIT "A"

THAT PART OF LOT 8 IN JOHN C. URE'S SUBDIVISION OF PART OF THE SOUTHEAST 1/4 LYING NORTH OF THE INDIAN BOUNDARY LINE AND EAST OF GREEN BAY ROAD IN SECTION 30, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID LOT 8, BEING THE INTERSECTION OF THE NORTH LINE OF INDIAN BOUNDARY ROAD (NOW CALLED ROGERS AVENUE) AND THE WEST LINE OF FLORENCE COURT (NOW CALLED MALVERN AVENUE) RUNNING THENCE NORTH ALONG THE WEST LINE OF SAID FLORENCE COURT (NOW CALLED MALVERN AVENUE) 55 FEET; THENCE WEST PARALLEL WITH THE SOUTH LINE OF MARGARET PLACE (NOW CALLED BIRCHWOOD AVENUE), 150 FEET TO THE EAST LINE OF A 16-FOOT ALLEY; THENCE SOUTH PARALLEL WITH THE WEST LINE OF SAID FLORENCE COURT (NOW CALLED MALVERN AVENUE), 163-1/2 FEET TO THE NORTH LINE OF SAID INDIAN BOUNDARY ROAD (NOW CALLED ROGERS AVENUE), THENCE NORTHEASTERLY ALONG THE NORTH LINE OF SAID INDIAN BOUNDARY ROAD (NOW CALLED ROGERS AVENUE) TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.