

**ASSIGNMENT OF RENTS AND LEASES**

A. GIUSEPPE CANGELOSI ("Assignor"), whose address for notice hereunder is 21910 W. TALIA LANE, DEER PARK, ILLINOIS 60010, by Mortgage of even date herewith (hereinafter the "Mortgage"), mortgaged to SPIRIT OF TEXAS BANK, ssb ("Assignee"), whose address for notice is 625 UNIVERSITY DRIVE, COLLEGE STATION, TEXAS 77840, the real property (the "Premises") described on EXHIBIT "A" attached hereto and made a part hereof for all purposes.

B. The Mortgage was given to secure the payment of a promissory note in the original principal amount of TWO HUNDRED THOUSAND AND NO/100 (\$200,000.00) DOLLARS of even date herewith, executed by CIG EAST, INC., an Illinois corporation dba SPORT CLIPS and payable to Assignee on or before TEN (10) YEARS from the date thereof (the "Note"). The Mortgage and the Note are incorporated herein by reference for all purposes.

Assignor, as lessor, has entered into Leases, and/or may enter into Leases in the future, in connection with the improvements located on the Premises (the "Leases").

NOW, THEREFORE, for value received, Assignor hereby absolutely and unconditionally assigns and transfers to Assignee (i) all rents, revenues and any other income of the Premises, including those now due, or to become due by virtue of the Leases, or any other agreement for the occupancy or use of all or any part of the Premises, regardless of the party to whom the rents and revenues of the Premises are payable; and (ii) all the Leases and any other agreements for the use or occupancy of all or any part of the Premises, including any and all extensions, renewals and replacements thereof. All Leases, other agreements for use or occupancy, and all extensions, renewals and replacements thereof, and all future Leases and other agreements for use or occupancy, extensions, renewals and replacements thereof, are hereby incorporated to be included in all references to "Leases" herein.

This Assignment of Rents and Leases (the "Assignment") shall be under the following terms and conditions:

1. **Assignment of Leases.** Until the Note, and all renewals, rearrangements and extensions thereof, are paid in full, or, until the Premises is released by Assignee as security for the Note, Assignor shall transfer, sell and assign, and hereby transfers, sells and assigns, unto the Assignee all subsequent Leases of the Premises, or any part thereof.

2. **Assignors Obligations.** Assignor acknowledges that this assignment in no way affects or alters the Note and Mortgage. Assignor hereby agrees to make or cause to be made:

- (a). All payments of principal and interest on the Note and any amendments, extensions or renewals thereof;
- (b). Payment of all other sums, with interest thereon, becoming due and payable to Assignee under the provisions of this Assignment, the Note, the Mortgage or in any other instrument executed by Assignor in connection with the Note; and
- (c). Punctual performance and discharge of each and every obligation, covenant and agreement contained in the Note, the Mortgage or in any other instrument executed by Assignor in connection with the Note.

3. **No Previous Assignment.** Assignor warrants and represents that Assignor has not previously assigned the Leases or the rents and revenues of the Premises, or executed any other instrument which would interfere with or in any manner prevent Assignee from obtaining the full benefits of the provisions of this Assignment.

4. **Collection of Rents and Revenues.** Assignor hereby authorizes Assignee or Assignee's agents to collect the rents and revenues from the Premises and hereby directs each tenant of the Leases to pay such rents and revenues to Assignee or Assignee's agents; provided, however, so long as there shall exist no default by Assignor in the payment of the Note, or in the performance of any obligation, covenant or agreement contained herein, in the Note, the Mortgage

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or in any other instrument executed by Assignor in connection with the Note, Assignor shall have the right to collect and receive as trustee for the benefit of Assignee all rents and revenues arising under the Leases or from the Premises, and to apply the rents and revenues so collected to the sums secured by the Mortgage, with the balance, so long as no such default exists, to the account of Assignor; it being the intention of Assignor and Assignee that this Assignment constitutes an absolute assignment and not an assignment for additional security only. All rents and revenues from the Premises collected by Assignor or Assignee after an event which triggers the termination of Assignor's license to collect rents and revenues from the Premises, shall, at Assignee's sole option, be paid and applied in any order Assignee may require, to cover the following: (i) to the payment of costs and expenses related to the collection of rents and revenues from the Premises, (ii) to the payment of operating costs and expenses of the Premises; (iii) to the payment of expenses of Assignee which are to be reimbursed by Assignor pursuant to the terms of the Note, this Assignment, the Mortgage or any other instrument executed by Assignor in connection with the Note; and (iv) to the payment of the Note in the manner specified in the Note, this Assignment, the Mortgage or any other instrument executed by Assignor in connection with the Note and all items set out in Section 6 below. Assignee is deemed not to have received any part of the rents and revenues from the Premises except those applied and paid as set forth above. Any forbearance of Assignee in collecting rents and revenues from the Premises after an event which triggers the termination of Assignor's license to collect rents and revenues from the Premises is to be considered merely a forbearance, and is not to be deemed a waiver of any requirement that rents and revenues from the Premises actually be applied as set forth herein or an election to apply rents and revenues from the Premises in any other manner. Without limiting the foregoing, Assignee is not deemed to have received payment of the Note on account of its receipt or constructive receipt of rents and revenues from the Premises unless and until rents and revenues from the Premises have been fully applied to the actual payment of the Note after other required applications of rents and revenues from the Premises.

5. **Covenants.** Assignor covenants and agrees with Assignee:

- (a). not to collect any of the rent, income and profits from the Premises more than one month in advance of the time that the same shall become due under the provisions of the Leases (other than for security deposits made under the Leases);
- (b). not to execute any other assignment of the rents, income or profits arising or accruing from the Leases or the Premises;
- (c). to assign and transfer to the Assignee any and all other Leases entered into after the date of this Assignment upon all or any part of the Premises and to execute and deliver, at the request of the Assignee, all such further assignments in the Premises as the Assignee shall from time to time require;
- (d). that if any act shall be done by the Assignor in breach of the foregoing, then such act shall be null and void and without force or effect unless specifically agreed to in writing by the Assignee.
- (e). Assignor acknowledges that the existing Leases are a substantial inducement to Assignee to make the loan and that Assignee would not have agreed to make the loan if the existing Leases did not exist.
- (f). Assignor represents and warrants to Assignee that the existing Leases, if any, are in full force and effect and have not been modified or amended (except for any modifications or amendments delivered to and approved by Assignee), and that there are no conflicts among the existing Leases pertaining to exclusive uses, renewal rights, expansion rights, or any other matter covered by the existing Leases.

6. **Termination of Assignor's Right to Collect Rents.** Upon or at any time after default by the Assignor in the payment of the principal and interest on the Note, in the performance of any obligation, covenant or agreement contained herein, in the Note, the Mortgage, or in any other instrument executed by the Assignor in connection with the Note, Assignor's right to collect and receive as Trustee for the benefit of Assignee all rents and revenues arising under the Leases shall terminate without notice to Assignor. Further, the Assignee may, but is not obligated or required, at its option, without notice, and without regard to the adequacy of the security for the Note, whether in person or by Agent,

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with or without bringing any action or proceeding, or by a receiver appointed by a court, take possession of the Premises and hold, manage, lease and operate the same on such terms and for such a period of time as Assignee may deem proper. Additionally, Assignee may demand, sue for or otherwise collect and receive all rents, income and revenues of the Premises, including those past due and unpaid, without taking possession of the Premises. At Assignee's sole option, in addition to other options for the application of rents and revenues as set forth in this Agreement, Assignee shall also have full power to make, from time to time, all alterations, renovations, repairs or replacements to the Premises as may seem proper to Assignee and to apply such rents, income and profits to the payment of:

(a) all expenses of managing the Premises, including, without limitation, the salaries, fees and wages of a managing agent and such other employees as Assignee may deem necessary or desirable, and all expenses of operating and maintaining the Premises, including all taxes, charges, claims, assessments, and any other liens, and premiums for all insurance which the Assignee may deem necessary or desirable, the cost of all alterations, renovations, repairs, or replacements, and all expenses incident to taking and regaining possession of the Premises; and

(b) the principal and interest on the Note, together with all costs and attorneys' fees incurred by Assignee in enforcing Assignor's obligations hereunder, under the Note, the Mortgage, or in any other instrument executed by Assignor in connection with the Note, all in such order of priority as to any of the items mentioned in this paragraph as the Assignee in its sole, subjective discretion may determine.

No credit shall be given by Assignee for any sum or sums received from the rents, income and revenues of the Premises until the money collected is actually received by Assignee and no credits shall be given for any uncollected rents or other uncollected amounts or bills, nor shall credit on any indebtedness secured by the lien of the Mortgage be given for any rents, income and revenues derived from the Premises after Assignee obtains title to the Premises by foreclosure, order of a court or by operation of law or otherwise. The exercise by Assignee of the option granted in this paragraph to take possession of the Premises, and Assignee's collection of the rents, income and revenues and the application thereof as herein provided shall not be considered a waiver of any default by Assignor in connection with the Note.

7. **No Liability of Assignee.** Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to let the Premises or portions thereof after default or from any other act or omission of Assignee in managing the Premises after default unless such loss is caused by the willful misconduct and bad faith of Assignee. Furthermore, it is understood that Assignee shall not be obligated to assume, perform or discharge nor does Assignee undertake to assume, perform or discharge, any obligation, duty or liability of Assignor under the Leases, it being agreed that Assignee shall be treated as agreeing to assume, perform or discharge such obligations, duty or liability only if:

(a) Assignee shall, by written notice sent to the tenants named in the Leases, specifically so elect; or

(b) Assignee shall foreclose judicially or under the Mortgage and take possession of the Premises.

In no event shall Assignee be liable for the performance or discharge of any obligations not expressly assumed by it, or in any assignment or other transfer by Assignee of its interests in the Leases or the Premises to any other party. Assignor shall, and hereby agrees to, defend (with counsel acceptable to Assignee), indemnify and hold Assignee harmless from and against any and all liability, loss, cost, damage or expenses which may be or is incurred by Assignee under the Leases or under or by reason of this Assignment and from any and all claims and demands whatsoever which may be asserted against Assignee or by reason of any alleged obligations or undertakings on the part of Assignee to perform or discharge any of the terms, covenants or agreements contained in the Leases, except such obligations or undertakings expressly assumed by Assignee. If Assignee should incur any such liability, or be subject to any such claims, all expenses incurred or expended by Assignee in connection therewith (including Attorneys' fees) shall be deemed secured by the Mortgage and Assignor shall reimburse Assignee immediately upon demand. Upon the failure of Assignor to reimburse Assignee, Assignee may, at its option, declare all sums evidenced by the Note and secured by the Mortgage immediately due and payable. It is further understood that this Assignment shall not operate to place responsibility upon Assignee, except as otherwise specifically

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provided, for the control, care, management or repair of the Premises, nor for the carrying out of any of the terms and conditions of the Leases nor shall it operate to make Assignee responsible or liable for any waste committed on the Premises by any tenant thereof, or any other parties, or for any dangerous or defective condition of the Premises, or for any negligence in the management, upkeep, repair or control of the Premises resulting in loss, injury or death to any tenant, licensee, employee or stranger.

8. **Termination of Assignment.** In the event there shall have been made payment in full of the principal and interest on the Note or any other indebtedness secured by the lien of the Mortgage, and Assignor shall make, or cause to have been made, full performance of all of Assignor's obligations under the Mortgage, this Assignment, and all other instruments executed by Assignor in connection with the Note, then this Assignment shall become and be void and of no further force or effect. An affidavit, certificate, letter or statement of any officer, agent or attorney of Assignee indicating that any part of the principal or interest on the Note remains unpaid, or that Assignor's obligations remain unperformed, shall be conclusive evidence of the continuing validity and effectiveness of this Assignment and any person may, and is authorized to rely thereon.

9. **Authorization to Collect Rents.** Assignor authorizes and directs the tenants named in the Leases, upon receipt from Assignee or written notice to the effect that (i) Assignee is then the holder of the Note, Mortgage and this Assignment, and (ii) that a default exists under any of the provisions of one or all of such instruments, to pay over to Assignee all rents, income and revenues arising or accruing under the Leases and to continue to do so until otherwise notified by Assignee. Assignor agrees that (i) any tenant or occupant of the Premises shall have the right to rely upon notice by Assignee without obligation or right to inquire as to whether default actually exists; and (ii) Assignor shall have no right or claim against any such tenant or occupant for any such rents paid by any tenant or occupant to Assignee following receipt of such notice.

10. **No Waiver by Assignee.** Nothing contained in this Assignment and no act done or omitted by Assignee pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under the Note, Mortgage or under any other instrument executed by Assignor in connection with the Note, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Assignee under the terms of any instrument executed by Assignor in connection with the Note. The collection and application of the rents, income and revenues from the Premises to the Note, or as otherwise provided above, shall not constitute a waiver by Assignee of any default which might at the time of such application or thereafter exist under any documents executed by Assignor in connection with the Note. The Note may be accelerated in accordance with its terms, notwithstanding the application of rents, income and revenues.

11. **Foreclosure.** In the event of foreclosure of the Mortgage by sale or otherwise, Assignee is authorized (i) to sell Assignor's interest in the Leases as lessor together with the Premises; or (ii) to assign the same without the Premises; or (iii) to assign the same without consideration to the purchaser at any such sale or to any other claimant to title to the Premises by virtue of foreclosure of the lien of the Mortgage. There shall be no liability to account to Assignor for any rents, revenues, income or profits accruing after the foreclosure of the Mortgage.

12. **Agreement to Execute Documents.** Assignor agrees to execute and deliver to Assignee such further instruments and documents as, from time to time during the existence of this Assignment, Assignee may reasonably require in order to perfect the interest and rights of Assignee under this Assignment.

13. **Assignee's Remedies.** No remedy or right conferred upon Assignee by operation of law, by this Assignment, the Note, the Mortgage or by any other instrument executed by Assignor in connection with the Note is intended to be, nor shall it be, inclusive of any other right or remedy, but each and every remedy or right shall be cumulative and shall be in addition to every other remedy or right conferred upon Assignor and each and every such remedy or right may be pursued by Assignee in such manner and order, together or separately, and at such times as Assignee may elect. Additionally, this instrument and the language herein shall be controlling over any conflicting language in said Mortgage.



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14. **Invalid Provisions.** If any term or provision of this Assignment, or the application thereof to any person or circumstances shall, to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Assignment shall be valid and be enforced to the fullest extent permitted by law.

15. **Notice.** Notice provided for in this Assignment must be in writing, and shall be given or served, unless otherwise expressly provided herein, by depositing the same in the United States Mail, postpaid and certified and addressed to the party to be notified, with return receipt requested, or by delivering the same by courier or in person to such party (or, if the party or parties to be notified be incorporated, to an officer of such party), or by prepaid telegram addressed to the party to be notified. Notice deposited in the mail, postpaid and certified with return receipt requested, shall be deemed received upon deposit in a proper United States mail depository. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties are as stated in paragraph A of this Assignment. The parties and their respective successors and assigns shall have the right from time to time, and at any time, to change their respective addresses and agents for the receipt of notice and shall have the right to specify as their respective addresses and agents any other by giving at least ten (10) days prior written notice to the other party.

16. **Document Retention.** The undersigned understands and agrees that (i) Assignee's document retention policy may involve the imaging or executed loan documents and other miscellaneous documents, papers, reports and other correspondence, and the destruction of the paper originals, and (ii) the undersigned waives any right that it may have to claim that the imaged copies of the loan documents and other miscellaneous documents, papers and other correspondence related thereto are not originals.

17. **Headings.** Section headings are for convenience of reference only and shall in no way affect the interpretation of this Assignment.

EXECUTED this the 18 day of MARCH, 2011

  
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 GIUSEPPE CANGELOSI

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THE STATE OF ILLINOIS

COUNTY OF MCHENRY

This instrument was acknowledged before me on the 18 day of MARCH, 2011 by GIUSEPPE CANGELOSI.



NOTARY PUBLIC, STATE OF ILLINOIS

W A Diehl

Prepared By: Carol Lavespere  
 Spirit of Texas Bank, SSB  
 625 University Drive  
 College Station, TX 77840

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## EXHIBIT "A"

### TRACT I:

LOT FOUR (4) IN TIERRA GRANDE-UNIT #3, A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 3, TOWNSHIP 35 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### TRACT II:

THE FOLLOWING DESCRIBED REAL ESTATE SITUATED IN THE COUNTY OF COOK IN THE STATE OF ILLINOIS, TO WIT:

LOT 33 IN BLOCK 10 IN SOUTHDALE'S SUBDIVISION UNIT 11, BEING A SUBDIVISION OF PART OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS LYING NORTH OF SAUK TRAIL ROAD ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 29, 1958 AS DOCUMENT NUMBER 17331660 IN THE OFFICE OF THE RECORDER OF DEEDS COOK COUNTY, ILLINOIS.

SUBJECT TO RESTRICTIONS, RESERVATIONS, EASEMENTS, COVENANTS, OIL, GAS OR MINERAL RIGHTS OF RECORD, IF ANY.

### TRACT III:

LOT 11 IN BLOCK 18 IN SOUTHDALE SUBDIVISION UNIT NUMBER 2, BEING A SUBDIVISION OF PART OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF SAUK TRAIL ROAD ACCORDING TO PLAT THEREOF RECORDED SEPTEMBER 29, 1958 AS DOCUMENT 17331660 IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS.

### TRACT IV:

LOT 10 IN BLOCK 19 IN SOUTHDALE SUBDIVISION UNIT NO. 2, BEING A SUBDIVISION OF PART OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF SAUK TRAIL ROAD ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 29, 1958, AS DOCUMENT NO. 17331660, IN THE OFFICE OF THE RECORDER OF DEEDS, IN COOK COUNTY, ILLINOIS.