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COLLATERAL ASSIGNMENT OF RENTS AND LEASES

This Collateral Assignment of Rents and Leases made this 11th day of December, 1985 by and between JOHN J. MCKILLIP and GERALDINE L. MCKILLIP, together collectively as Assignor, and PIONEER BANK & TRUST COMPANY, Chicago, Illinois, as Assignee.

WITNESSETH:

WHEREAS, the Assignor is the owner in fee of the premises hereinafter described; and

WHEREAS, Assignee has requested that Assignor in addition to delivering its mortgage to secure the payment of Assignor's note, in the sum of Two Hundred Twenty-Five Thousand Dollars (\$225,000.00) and to secure all of Assignor's obligations to Assignee and all of the obligations of AMERICAN STENCIL COMPANY, INC., an Illinois corporation, to Assignee, that Assignor also execute and deliver this assignment of rents and leases as additional collateral for the repayment of such indebtedness.

NOW, THEREFORE, in consideration of the premises and of other good and valuable considerations paid by Assignee to Assignor, receipt whereof is hereby acknowledged, and in order to better secure the payment to Assignee of said note; of any guaranties of said note; of all the premiums of insurance on policies which the Assignee has effected and may effect under the terms of the mortgage; and of all taxes, assessments, water rates, and meter charges which may now be due and unpaid, or which may hereafter become due and a charge against or lien upon the premises, with interest or penalties thereon; of the interest on any prior mortgage of such premises, the Assignor does hereby grant, bargain, sell, transfer, assign, convey and set over unto the Assignee all of the rents, issues, and profits due and to become due from the mortgaged premises situated and located within the County of Cook, State of Illinois, which is more particularly described in Exhibit A attached hereto, together with all leases, agreements, service contracts and insurance policies affecting said premises.

1. Collection of Rents - The Assignee shall have the power and authority to enter upon and take possession of the mortgaged premises and to demand, collect, and receive from the tenants, lessees or other occupants now or at any time hereinafter in possession of the mortgaged premises or from any part thereof, rents now due or to become due, to endorse the name of the Assignor or any subsequent owner of the premises on any checks, notes, or other instruments for the payment of money, to deposit the same in bank accounts,

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to give any and all acquittances or any other instrument in relation thereto in the name of the assignor or in the name of the Assignee, and either in its own name or in the name of the Assignor to institute, prosecute, settle, or compromise any summary or legal proceedings for the recovery of such rents, profits, or to recover the whole or any part of the premises, and to institute, prosecute, settle, or compromise any other proceedings for the protection of the mortgaged premises, for the recovery of any damages done to the premises, or for the abatement of any nuisance thereon, also the power to defend any legal proceedings brought against the Assignor or against the owners arising out of the operation of the mortgaged premises.

2. Authority to Lease - The Assignee shall have the power to lease or rent the mortgaged premises thereof, to employ an agent at a reasonable rate of compensation to rent and manage the premises, to make any changes or improvements thereon or therein deemed by it necessary or expedient for the leasing or the renting of the premises, to keep and maintain the premises in a tenantable and rentable condition, as well as in a good state of repair, and to purchase all equipment or supplies necessary or desirable in the operation and maintenance of the premises and to pay for all gas, electricity, power, painting, repairs, wages of employees, and other items for the maintenance of the taxes, assessments, water and sewerage rates, and meter charges now due and unpaid or which may hereafter become due and a charge or lien against the premises, and to pay the principal of the guaranty and notes herein described, now due or hereafter to become due, and the interest thereon, now due or hereafter to become due, and to pay the premiums on all policies of insurance now or hereafter effected by the Assignee and to comply with orders of any governmental departments having jurisdiction against the premises, and to remove any mechanic's liens, security interests, or other liens against the premises, and, in general, to pay all charges and expenses incurred in the operation of the premises.

3. Payment of Expenses - The Assignee shall have the authority to pay the cost of all the matters herein mentioned out of the rents and other revenues received from the mortgaged premises and the cost of any such expenditures and of any payments which may be made by the Assignee under any of the provisions of this agreement, including expenses and charges for counsel fees, shall be charged to the Assignor and for all purposes be deemed secured hereby and they may be retained by the Assignee out of the rents of the premises.

4. Liability of Assignee - The Assignee shall in no way be liable for any act done or anything omitted by it

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or for any funds, rents or other monies it may receive hereunder, and nothing herein contained shall be construed as to prejudice its right to institute or to prosecute any proceedings to foreclose the mortgage herein mentioned, or to enforce any lien on any other collateral which the Assignee may have, or prejudice any right which the Assignee may have by reason of any default, present or future, under the terms of the mortgage.

5. Transfer of Leases - The Assignor hereby assigns, transfers, and sets over to the Assignee all leases or subleases made to the various tenants in the buildings, and all its right, title, and interest therein, hereby authorizing and empowering the Assignee to continue present leases, or to demise any space therein for a period and upon such terms and conditions as the Assignee may deem just and proper, and, if necessary, to execute, acknowledge, and deliver any and all instruments in writing necessary to effectuate this agreement. The Assignee shall have full power and authority to do and perform all acts or things necessary and requisite to be done in and about the premises, as fully and to all intents and purposes as the Assignor might or could do if present, with full power of substitution and revocation, hereby ratifying and confirming all that the Assignee shall lawfully do or cause to be done by virtue hereof.

6. Modification of Leases - The Assignor hereby agrees that it will not cancel, modify, or surrender any lease now existing in respect to any portion of the premises, nor reduce any rents, or change, modify, or waive any provision of any existing lease, without the consent in writing of the Assignee, and it shall enter into no lease on any portion of the premises without the written consent of the Assignee.

7. Failure to Account - It is understood and agreed that the Assignee shall in no way be responsible or liable for any defalcation or failure to account for any rents collected by any agent or collector of the premises whom it may designate or appoint to collect or manage the property, nor shall the Assignee be in any way liable for the failure or refusal on its part to make repairs to the premises. The Assignee shall in no way be responsible personally for any debt incurred in respect to the premises. The assignee will, however, provide an accounting of any rents collected.

8. Events of Default - The amount due to the Assignee shall, at the option of the Assignee, immediately become due and payable, anything in this agreement to the contrary notwithstanding, in the event a voluntary or involuntary petition in bankruptcy shall be filed by or against

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the Assignor, or against any subsequent owner of the premises covered by this rent assignment; in the event that there is a voluntary or involuntary proceeding for the dissolution of the Assignor, or any subsequent owner of the premises covered by this rent assignment, instituted in any court having jurisdiction thereof; in the event that any proceeding or action is begun in any court in which it is claimed that the Assignor, or any subsequent owner of the premises covered by this rent assignment is insolvent and a temporary or permanent receiver of its assets shall be appointed; in the event that a petition for reorganization or arrangement under the Bankruptcy Act is filed by or against the Assignor, or against any subsequent owner of the premises covered by this rent assignment; in the event that a judgment is rendered against the Assignor, or against any subsequent owner of the premises covered by this rent assignment; or in the event a mechanic's lien is filed against such property and the Assignor shall fail, within five days after the rendition of such judgment or the filing of such mechanic's lien to remove, satisfy, bond or release such judgment or mechanic's lien, except for any such proceeding which Mortgagor is contesting in good faith.

9. Rights of Assignee in Collateral - This assignment of rents is intended for use in connection with the loan secured by the mortgage in this agreement mentioned. It is understood and agreed by the parties that this assignment shall in no manner prejudice the Assignee or estop the Assignee in any way in the exercise of its right as mortgagee or as the plaintiff in any foreclosure action which may be instituted or in connection with the endorsement of any lien which the Assignee may have upon the corporate shares of the Assignor and upon any other collateral which may be held by the Assignee and this assignment shall be at all times subject to the exercise of any such rights which the Assignee may have and to any proceedings which the Assignee may be entitled to take in connection therewith.

10. Surplus Funds - The Assignee may (but shall be under no obligation to do so) turn over to the Assignor any surplus which the Assignee may have on hand after paying all expenses in connection with the operation and maintenance of the mortgaged premises and after setting up the necessary reserve for the payment, upon the due date, of fixed charges against the mortgaged premises. The turning over of any surplus by the Assignee to the Assignor shall in no way obligate the Assignee to continue to turn over such surplus.

11. Further Assignment - The Assignee is hereby given the privilege of assigning all of its right, title, and interest in and to this assignment to any person, firm, or corporation to whom the note and mortgage hereinabove referred to are assigned, and in such manner so

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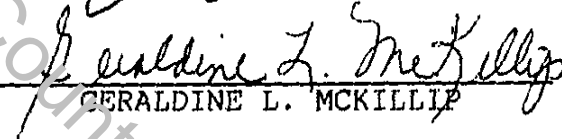
that the holder of such guaranty and mortgage shall have all of the rights and privileges given herein to the Assignee as if such assignee were originally named herein as the Assignee.

12. Custody of Leases - Assignor shall deliver to Assignee any and all original leases relating to said premises.

13. Collateral Assignment Only - This is a Collateral Assignment only, and is given to further secure the payment of the aforesaid indebtedness. It is understood and agreed that there shall be no interference by Assignee with the management of the said real estate or the collection of rents, issues and profits therefrom by Assignor unless and until there shall have been a default in making the payment provided for in said note and/or in carrying out the terms of said mortgage.

IN WITNESS WHEREOF, the undersigned has executed this Collateral Assignment of Rents and Leases as of the day and year first written above.


JOHN J. MCKILLIP


GERALDINE L. MCKILLIP

This instrument was prepared by:

David H. Hight
Hurley & Kallick, Ltd.
1200 Shermer Road, Suite 220
Northbrook, Illinois 60062
(312) 498-6610

Mail to:

David H. Hight
Hurley & Kallick, Ltd.
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EXHIBIT A

Lots 160 to 167 and lots 169 to 171 both inclusive, in Davenport's Subdivision in the Northeast $\frac{1}{4}$ of Section 3, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Tax Nos. : 16-03-208-019-0000 (161, 162, 163, 164)
16-03-208-020-0000 (165)
16-03-208-021-0000 (166)
16-03-208-022-0000 (167)
16-03-218-007-0000 (171)
16-03-218-008-0000 (170)
16-03-218-009-0000 (169)

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STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

I, the undersigned, Notary Public,
and for said County, in the State aforesaid, do hereby
certify that JOHN J. MCKILLIP and GERALDINE L. MCKILLIP per-
sonally known to me to be the persons who subscribed to the
foregoing instrument, appeared before me this day in person
and acknowledged that they signed and delivered the said
instrument as their free and voluntary act for the uses and
purposes set forth therein.

Given under my hand and official seal this
day of December, 1985.

Notary Public

My Commission expires:

Cook County Clerk's Office

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DELIVER TO

WALSH

Box 333