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MSK03212C
10/09/86

ASSIGNMENT OF LEASES AND RENTS

KNOW ALL MEN BY THESE PRESENTS, that LaSalle National Bank, not personally but as Trustee under Trust Agreement dated as of September 5, 1986 and known as Trust Number 111528 (the "Trustee") whose address is 135 South LaSalle Street, Chicago, Illinois 60603, and Richard M. Holtzman and Charles Hoover, Jr. whose address is c/o Preservation Chicago, Inc., 42 East Superior Street, Chicago, Illinois 60611 ("Beneficiary"), (Trustee and Beneficiary being hereinafter collectively referred to as "Assignors"), in consideration of the sum of \$832,500.00 and other good and valuable considerations, the receipt and sufficiency whereof are hereby acknowledged, do hereby assign, transfer and set over unto Exchange National Bank of Chicago, a national banking association, of LaSalle and Monroe Streets, Chicago, Illinois 60603 (hereinafter referred to as the "Mortgagee"), all right, title and interest of the Assignors in, under or pursuant to any and all present or future leases, whether written or oral, or any lettings of possession of, or any agreements for the use or occupancy of, the whole or any part of the real estate and premises hereinafter described which the Assignors or either of them may have heretofore made or agrees to or may hereafter make or agree to, or which may be made or agreed to by the Mortgagee under the powers hereinafter granted, including all amendments and supplements to and renewals thereof at any time made (hereinafter a "Lease", or, collectively, the "Leases"), all relating to that certain real estate situated in the County of Cook, State of Illinois, described in Schedule I attached hereto and made a part hereof and the improvements now or hereafter erected thereon (the "Premises"), including, without limiting the generality of the foregoing, all right, title and interest of Assignors or either of them in and to all the rents (whether fixed or contingent), earnings, renewal rents and all other sums due or which may hereafter become due under or by virtue of the Leases and all rights under or against guarantors of the obligations of lessees under the Leases."

This Assignment is made and given as collateral security for, and shall secure (i) the payment in full of all principal of and

This instrument prepared by:

Michael S. Kurtzon
208 S. LaSalle Street
Chicago, Illinois 60604
(312) 263-3700

Permanent Index No.
14-17-117-006 *K*

Address of Property:
4521 North Malden Street
Chicago, Illinois

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interest on that a promissory note of the Trustee bearing even date herewith, payable to the order of the Mortgagee in the face principal sum of \$832,500.00 and any notes issued in extension or renewal thereof or in substitution therefor (the "Note"), (ii) the performance of all obligations, covenants, promises and agreements contained herein or in that certain Mortgage and Security Agreement with Assignment of Rents bearing even date herewith, from the Trustee to the Mortgagee (the "Mortgage" conveying and mortgaging the premises as security for the Note and any and all other indebtedness intended to be secured thereby, (iii) the performance of all obligations, covenants, promises and agreements of the Trustee or the Beneficiary under that certain Construction Loan Agreement bearing even date herewith, by and among the Trustee, the Beneficiary and the Mortgagee (the "Construction Loan Agreement"), and (iv) the payment of all expenses and charges, legal or otherwise, paid or incurred by the Mortgagee in realizing upon or protecting the indebtedness referred to in the foregoing clauses (i) and (ii) or any security therefor, including this Assignment.

This Assignors do hereby irrevocably constitute and appoint the Mortgagee the true and lawful attorney of the Assignors with full power of substitution for Assignors and in Assignors' name, place and stead after an uncured default hereunder to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all sums due or to become due under any Lease, with full power to settle, adjust or compromise any claim thereunder as fully as the Assignors could do, and to endorse the name of the Assignors or either of them on all commercial paper given in payment or in part payment thereof, and in the Mortgagee's discretion to file any claim or take any other action or proceeding, either in the Mortgagee's name or in the name of the Assignors or either of them or otherwise, which the Mortgagee may deem necessary or appropriate to collect any and all sums due or to become due under any Lease, or which may be necessary or appropriate to protect and preserve the right, title and interest of the Mortgagee in and to such sums and the security intended to be afforded hereby.

The Beneficiary warrants to the Mortgagee that the Assignors have good right to make this Assignment and that the Assignors have not heretofore alienated, assigned, pledged or otherwise disposed of any of the rights, rents and other sums due or which may hereafter become due and which are intended to be assigned hereunder.

Notwithstanding the foregoing provisions making and establishing a present and absolute transfer and assignment of all rents, earnings, income, issues and profits as aforesaid, and so long as no event of default shall exist under the Note or the Mortgage and no event shall exist which if uncured within any applicable cure period, has or would become an event of default thereunder, the Assignors shall have the right and license to collect, use and enjoy all rents and other sums due or to become

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due under any by virtue of any Lease as they respectively become due, but not more than 30 days in advance.

The Assignors hereby irrevocably consent to and authorize and direct that the tenant under any Lease upon demand and notice from the Mortgagee of the Mortgagee's right to receive the rents hereunder, shall pay such rents to the Mortgagee without any obligation on the part of such tenant to determine the actual existence of any default or event claimed by the Mortgagee as the basis for the Mortgagee's right to receive such rents and notwithstanding any notice from or claim of the Assignors or either of them to the contrary. The Assignors hereby waive either right or claim against any tenant for any such rents paid by tenant to the Mortgagee.

Without limiting any legal rights of the Mortgagee as the absolute assignee of the rents, issues and profits of the premises and in furtherance thereof, Assignors agree that in the event of default under said Mortgage, whether before or after the Note is declared due in accordance with its terms or under the terms of said Mortgage, the Mortgagee may, at its option, take actual possession of the premises hereinabove described, or of any part thereof, personally or by agent or attorney, as for condition broken, and with or without force and with or without process of law, enter upon, take, and maintain possession of all or any part of said premises together with all documents, books, records, papers and accounts relating thereto, and exclude the Assignors, their agents or servants, therefrom and hold, operate, manage and control the premises, and at the expense of the Assignors, from time to time, cause to be made all necessary or proper repairs, renewals, replacements, useful alterations, additions, betterments and improvements to the premises as may seem judicious, and pay taxes, assessments and prior or proper charges on the premises, or any part thereof, and insure and reinsure the same, and lease the premises in such parcels and for such times and on such terms as may deem fit, including leases for terms expiring beyond the maturity of the indebtedness secured by said Mortgage, and cancel any lease or sub-lease for any cause or on any ground which would entitle the Assignors or either of them to cancel the same and in every such case have the right to manage and operate the said premises and to carry on the business thereof as the Mortgagee shall deem best.

After payment of all proper charges and expenses, including the just and reasonable compensation for the services of the Mortgagee, its attorneys, agents, clerks, servants and other employed by the Mortgagee in connection with the operation, management and control of the premises and the conduct of the business thereof, and such further sums as may be sufficient to indemnify the Mortgagee against any liability, loss or damage on account of any matter or thing done in good faith in pursuance of the rights and powers of the Mortgagee hereunder, the Mortgagee may, at its option, credit the net amount of income which the Mortgagee may receive by virtue of this Assignment and from the

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premises to any and all amounts due or owing to the Mortgagee under the terms and provisions of the Note, the Mortgage and any loan or security agreement pertaining thereto, whether or not the same may then be due or be otherwise adequately secured. Mortgagee shall have the right, but not the duty to apply such net income to the discharge of any other lien or charge upon the premises or to completion of the improvements being financed out of the proceeds of the Note. The manner of the application of such net income and the item which shall be credited shall be within the sole discretion of the Mortgagee. Mortgagee shall be subrogated to any lien or charge discharged out of the rents, income and profits of the premises.

The Assignors hereby further covenant that the Assignors will, upon request of the Mortgagee, execute and deliver such further instruments and do and perform such other acts and things as the Mortgagee may reasonably deem necessary or appropriate to more effectively vest in and secure to the Mortgagee the rights and rents which are intended to be assigned to the Mortgagee hereunder.

Assignors covenant and agree to observe and perform all of the obligations imposed on them under the Leases and not to do or permit to be done anything to impair the security thereof, not to execute any Lease on terms and conditions less favorable to the lessor than are usual and customary in leases of similar space in the same general area where the premises is located, not to further assign or encumber their rights under the Leases or their rights to the rents or other sums due or to become due thereunder and not suffer or permit any of the Leases to be subordinated to any other liens or encumbrances whatsoever, any such subordination to be null and void unless done with the written consent of Mortgagee. Assignors further covenant and agree that except in the ordinary course of business in their good faith business judgment not to amend, modify or terminate any of the Leases without the prior written consent of Mortgagee, provided that unless and until an event of default has occurred under the terms of the Mortgage or Note, Assignors may enter into amendments and modifications to Leases which do not adversely affect the security thereof and may terminate Leases if substantially concurrently with such termination, they shall have entered into a new Lease of the space which was the subject of the terminated Lease upon terms and conditions no less beneficial to them than those contained in the terminated Lease with a lessee of at least equal creditworthiness to the termination lessee, provided that the foregoing to the contrary notwithstanding no Lease for which Mortgagee has financed tenant improvements shall be terminated or amended or modified in any respect under any circumstances without the prior written consent of Mortgagee and no Lease shall be terminated if such termination would reduce the amount which any long term lender is then obligated to fund under any commitment issued to provide long term financing for the premises. Assignors further covenant and agree that they will, at the request of Mortgagee, submit the executed originals of all Leases to Mortgagee.

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The acceptance by the Mortgagee of this Assignment, with all of the rights, powers, privileges and authority so created, shall not, prior to entry upon and taking of actual physical possession of the premises by the Mortgagee, be deemed or construed to constitute the Mortgagee a mortgagee in possession nor thereafter impose any obligation whatsoever upon the Mortgagee, it being understood and agreed that the Mortgagee does not hereby undertake to perform or discharge any obligation, duty or liability of the landlord under any Leases of the premises or under or by reason of this Assignment. Mortgagee shall have no liability to Assignors or anyone for any action taken or omitted to be taken by it hereunder, except for its willful misconduct. Should the Mortgagee incur any liability, loss or damage under or by reason of this Assignment or for any action taken by the Mortgagee hereunder, or in defense against any claim or demand whatsoever which may be asserted against the Mortgagee arising out of any lease, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the Default Rate (as such term is defined in the Construction Loan Agreement) shall be secured by this Assignment and by the Mortgage, and the Assignors shall reimburse the Mortgagee therefor immediately upon demand.

The rights and remedies of the Mortgagee hereunder are cumulative and are not in lieu of, but are in addition to, any rights or remedies which the Mortgagee shall have under the said Note, Mortgage or any other instrument or document or under applicable law and the exercise by Mortgagee of any rights and remedies herein contained shall not be deemed a waiver of any other rights or remedies of Mortgagee, whether arising under the Mortgage or otherwise, each and all of which may be exercised whenever Mortgagee deems it in its interest to do so. The rights and remedies of the Mortgagee may be exercised from time to time and as often as such exercise is deemed expedient and the failure of the Mortgagee to enforce any of the terms, provisions and conditions of this Assignment for any period of time, at any time or times, shall not be construed or deemed to be a waiver of any rights under the terms hereof. The right of the Mortgagee to collect and receive the rents assigned hereunder or to exercise any of the rights or powers herein granted to the Mortgagee shall, to the extent not prohibited by law, extend also to the period from and after the filing of any suit to foreclose the lien of the Mortgage, including any period allowed by law for the redemption of the premises after any foreclosure sale.

This Assignment shall be assignable by the Mortgagee and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective executors, administrators, legal representatives, successors and assigns of each of the parties hereto.

This instrument is executed by LaSalle National Bank and Trust Company of Chicago, not personally but as Trustee as

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aforesaid in the exercise of the power and authority conferred upon and vested in its as such Trustee (and said Bank hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on said Bank personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as said Bank personally is concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby and by the Mortgage conveyed for the payment thereof, by the enforcement of the liens hereby and thereby created, in the manner herein and in said Mortgage provided or by action to enforce the personal liability of any guarantors of the indebtedness hereby secured or by realization on any other collateral for the indebtedness hereby secured.

Beneficiary shall not be liable personally for payment of the indebtedness secured hereby or performance of any obligations of the Beneficiary hereunder and the Mortgage shall look solely to the collateral described herein and in the other instruments securing the Note for satisfaction of such indebtedness.

DATED as of the 9th day of October, 1986.

LaSalle National Bank, not personally but solely as Trustee as aforesaid

By: 

its _____

ASSISTANT TO THE PRESIDENT

ATTEST:


its _____

Assistant Secretary

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Marla Franman, a Notary Public, in and for said County, in the State aforesaid, do hereby certify that JAMES A. OLIVE, President of LA SALLE NATIONAL BANK and William H. [illegible], Assistant Secretary of said Bank who are personally known to me to be the same persons whose are subscribed to the forgoing instrument as such [illegible] President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that he, as custodian of the corporate seal of said Bank, did affix the corporate seal of said Bank to said instrument as his own free and voluntary act and as the free and voluntary act of said Bank as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 11th day of Oct, 1986.

Marla Franman
Notary Public

(SEAL)

My Commission Expires:

6-28-90

COOK County Clerk's Office

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SCHEDULE I

Lot 113 in Sheridan Drive Subdivision, being a subdivision of the North 3/4 of the East 1/2 of the Northwest 1/4 of Section 17, Township 40 North, Range 14, East of the Third Principal Meridian, together with that part of the West 1/2 of the Northwest 1/4 of Section which lies North of the South 800 feet thereof and East of Green Bay Road, East of the Third Principal Meridian, in Cook County, Illinois.

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COOK COUNTY RECORDER
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