082087 MHS:jw 4169R
2525-072

87495833

ASSIGNMENT OF RENTS AND
LESSOR'S INTEREST IN LEASES

THIS ASSIGNMENT is made as of this 8th day of ~~August~~ September, 1987 by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee (the "Trustee") under Trust Agreement dated July 1, 1987 and known as Trust No. 102964-08 (the "Trust") and LAKE RIVER OAKS LIMITED PARTNERSHIP, an Illinois limited partnership (the "Partnership"), being the sole beneficiary of the Trust (the Trust and the Partnership are hereinafter jointly referred to as "Assignor") to EXCHANGE NATIONAL BANK OF CHICAGO, a national banking association ("Assignee").

W I T N E S S E T H:

Assignor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, hereby grants, transfers, sets over and assigns to Assignee, the entire lessor's interest in and to any and all leases and subleases (including all extensions and renewals thereof), now or hereafter existing (the "Leases") and any and all rents, issues, income and profits, of and from that certain real estate located at 777 River Oaks Drive in Calumet City, Cook County, Illinois and legally described in Exhibit A attached hereto and made a part hereof, and all buildings, structures, and improvements now or hereafter constructed thereon (the "Premises").

87495833

THIS ASSIGNMENT OF RENTS IS GIVEN TO SECURE:

(a) Payment by Assignor of the indebtedness evidenced by, and observance and performance by Assignor of each and every one of the covenants, terms, conditions and agreements contained in, a certain mortgage note of even date herewith (the "Note") executed by the Trust and the Partnership in the principal sum of TWO MILLION THREE HUNDRED THOUSAND AND NO/100 DOLLARS ($2,300,000.00), and delivered to Assignee simultaneously with the execution and delivery of this Assignment, which Note is personally and unconditionally, jointly and severally, guaranteed by the Guarantors (as hereinafter defined);

(b) Observance and performance by Assignor, of the covenants, terms, conditions and agreements contained in this Assignment, the mortgage (the "Mortgage") of even date herewith made by the Trust to Assignee and creating a first mortgage lien on the Premises, the Combined Security

N24-14658 14/233302 and 6.4

This instrument was prepared by and,
~~after recording, return to:~~
Marc H. Steer, Esq.
Greenberger, Krauss & Jacobs, Chartered
180 North LaSalle Street Suite 2700
Chicago, Illinois 60601

after recording:
Please return to:
Attn: Josie Carlson
Ticor Title Insurance
69 W. Washington
Chicago, IL 60602 Re: NTS

BOX 15
JC

N24-14658-14

Permanent Real Estate
Tax Index No.: 30-19-218-022 A11 BCO M.

Property located at:
777 River Oaks Drive,
Calumet City
Cook County, Illinois

Agreement and Collateral Assignment of Beneficial Interest in Land Trust of even date herewith made by the Partnership to Assignee, the Security Agreement (Chattel Mortgage) of even date herewith made by Assignor to Assignee, the Construction Loan Agreement of even date herewith between Assignor and Assignee and the Assignment of Plans, Specifications, Construction and Service Contracts of even date herewith made by Assignor to Assignee (collectively, the "Loan Documents") (said collateral and the Loan Documents creating said collateral are collectively referred to herein as the "Collateral").

AND ASSIGNOR HEREBY COVENANTS, AGREES, REPRESENTS AND WARRANTS AS FOLLOWS:

1. Representations and Warranties of Assignor. The Trust represents and Partnership represents and warrants to Assignee that:

(a) This Assignment, as executed by Assignor, constitutes the legal and binding obligation of Assignor enforceable in accordance with its terms and provisions;

(b) Assignor has not heretofore made any other assignment of its entire or any part of its interest in and to any or all of the Leases, or any or all of the rents, issues, income or profits assigned hereunder or entered into any agreement to subordinate any of the Leases, or Assignor's right to receive any of the rents, issues, income or profits assigned hereunder; and

(c) Assignor has not heretofore executed any instrument or performed any act which may or might prevent Assignee from operating under any of the terms and provisions hereof or which would limit Assignee in such operation.

2. Covenants of Assignor. Assignor covenants and agrees that so long as this Assignment shall be in effect:

(a) Assignor shall submit to Assignee for Assignee's approval all Leases before executed by Assignor;

(b) Assignor shall observe and perform all of the covenants, terms, conditions and agreements contained in the Leases to be observed or performed by the lessor thereunder, and shall not do or suffer to be done anything to impair the security thereof, or without the express written consent of Assignee, (i) release the liability of any tenant thereunder, or (ii) acquiesce in or consort with any tenant thereunder to withhold the payment of rent or to make monetary advances and off-set the same against future rentals, unless expressly provided for in any of the Leases, or (iii) acquiesce in or consort with any tenant thereunder to claim a total or partial eviction, or (iv) acquiesce in or consort with any tenant thereunder to terminate or cancel any Lease except in the normal course of business, unless expressly provided for in any of the Leases, or (v) enter into any oral leases with respect to all or any portion of the Premises;

(c) Assignor shall not collect any of the rents, issues, income or profits assigned hereunder more than thirty (30) days in advance of the time when the same shall

become due, except for security or similar deposits in the normal course of business;

(d) Assignor shall not make any other assignment of its entire or any part of its interest in or to any or all Leases, or any or all rents, issues, income or profits assigned hereunder without the prior written consent of Assignee;

(e) Assignor shall not alter, modify or change the terms and provisions of any Lease or give any consent (including, but not limited to, any consent to any assignment of, or subletting under, any Lease other than in the normal course of business) or approval, required or permitted by such terms and provisions or cancel or terminate any Lease without the prior written consent of Assignee, which content or approval shall be promptly delivered to Assignor if such alteration, modification, change, assignment, subletting, cancellation or termination is acceptable to Assignee, in Assignee's reasonable discretion;

(f) Assignor shall not accept a surrender of any Lease, or convey or transfer, or suffer or permit a conveyance or transfer, of the premises demised under any Lease or of any interest in any Lease so as to effect, directly or indirectly, proximately or remotely, a merger of the estates and rights of, or a termination or diminution of the obligations of, any tenant thereunder;

(g) Assignor shall not alter, modify or change the terms of any guaranty of any Lease, or cancel or terminate any such guaranty or do or suffer to be done anything which would terminate any such guaranty as a matter of law, without the prior written consent of Assignee;

(h) Except as expressly provided in the Leases, Assignor shall not waive or excuse the obligation to pay rent under any Lease;

(i) Assignor shall enforce the Leases and all rights and remedies of the lessor thereunder in case of default thereunder by any tenant;

(j) Assignor shall, at its sole cost and expense, appear in and defend any and all actions and proceedings arising under, relating to or in any manner connected with any Lease or the obligations, duties or liabilities of the lessor or any tenant or guarantor thereunder, and shall pay all costs and expenses of Assignee, including reasonable attorneys' fees, in any such action or proceeding in which Assignee may appear;

(k) Assignor shall give prompt notice to Assignee of any notice of any default on the part of the lessor with respect to any Lease received from any tenant or guarantor thereunder; and

(l) Assignor shall enforce the observance and performance of each and every covenant, term, condition and agreement contained in each and every Lease to be observed and performed by the tenant(s) thereunder.

3. Rights Prior to Default. So long as Assignor is not in default hereunder, Assignor shall have the right to collect at the time, but not more than thirty (30) days in advance, of the date provided for the payment thereof, all rents, issues, income and profits assigned hereunder (other than security or similar deposits), and to retain, use and enjoy the same. Assignee shall have the right to notify the tenants under the Leases of the existence of this Assignment at any time.

4. Events of Default. Each of the following shall constitute an event of default for purposes of this Assignment:

(a) Failure of Assignor to pay within five (5) days after the date when due of any installment of principal or interest payable pursuant to this Agreement, the Note, the Mortgage or any other Loan Document.

(b) Failure of Assignor to promptly perform any other condition, covenant, term, agreement or provision required to be performed or observed by Assignor under this Assignment, the Note, the Mortgage or any other Loan Document, provided, however, that unless and until the continued operation and safety of the Premises or the Collateral, or the priority, validity or enforceability of the lien created by this Assignment, the Mortgage or any other Loan Document or the value of the Premises or the Collateral is immediately threatened or jeopardized, Assignor shall have a period not to exceed thirty (30) days after written notice of any such failure of performance to cure the same, except that if such failure cannot by its nature be cured within said thirty (30) days, and if Assignor commences to cure such failure within said thirty (30) days and thereafter diligently pursues the curing thereof (and in all events cures such failure within sixty (60) days from the end of the original thirty-day period), Assignor shall not be in default during such period of diligent curing.

(c) The existence of any material inaccuracy or untruth in any representation, covenant or warranty contained in this Assignment, the Mortgage or any other Loan Document, or of any statement or certification as to facts delivered to Assignee.

(d) At any time, the Trust, the Partnership, any of Roger F. Ruttenberg ("Ruttenberg"), David P. Bossy ("Bossy") and Michael George ("George") (Ruttenberg, Bossy and George are collectively referred to as the "Guarantors") or any general partner of the Partnership or any general partner of such general partner of the Partnership (collectively referred to as the "General Partners") files a voluntary petition in bankruptcy, or is adjudicated a bankrupt or insolvent, or institutes (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future Federal, state or other statute or law, or admits in writing his or its inability to pay his or its debts as they mature, or makes an assignment for the benefit of his or its creditors, or seeks or consents to or acquiesees in the appointment of any receiver, trustee or similar officer for all or any substantial part of his or its property.

(e) The commencement of any involuntary petition in bankruptcy against the Trust, the Partnership, any Guarantor or any General Partner or the institution against the Trust, the Partnership, any Guarantor or any General Partner, of any reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future Federal, state or other statute or law, or the appointment of a receiver, trustee or other officer for all or any substantial part of the property of the Trust, the Partnership, any Guarantor or any General Partner which shall remain undismissed or undischarged for a period of sixty (60) days.

(f) Any sale, transfer, lease, assignment, conveyance, pledge, lien or encumbrance of the Premises or Collateral in violation of the provisions of this Agreement.

(g) The making of any levy, judicial seizure or attachment on the Premises or Collateral, or any portion thereof.

(h) The death or legal incompetency of any of the Guarantors.

(i) The termination of the Partnership, whether voluntary, by operation of law, or otherwise.

(j) The occurrence of any Event of Default under the Note, the Mortgage, the Construction Loan Agreement, the Additional Collateral or any other Loan Document.

5. Rights and Remedies Upon Default. At any time upon or following the occurrence of any one or more events of default under the provisions of paragraph 4 of this Assignment, Assignee may, at its option and without any obligation to do so, without in any way waiving such event or events of default, without notice or demand on Assignor, without regard to the adequacy of the security for the obligations secured hereby, without releasing Assignor or any Guarantor of the Note from any obligation hereunder, and with or without bringing any action or proceeding:

(a) Declare the unpaid balance of the principal sum of the Note, together with all accrued and unpaid interest thereon, immediately due and payable;

(b) Enter upon and take possession of the Premises, either in person or by agent or by a receiver appointed by a court, and have, hold, manage, lease and operate the same on such terms and for such period of time as Assignee may deem necessary or proper, with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to Assignee, to make, enforce, modify and accept the surrender of Leases, to obtain and evict tenants, to fix or modify rents, and to do any other act which Assignee deems necessary or proper;

(c) Either with or without taking possession of the Premises, demand, sue for, settle, compromise, collect, and give acquittances for all rents, issues, income and profits of and from the Premises and pursue all remedies for enforcement of the Leases and all the lessor's rights therein and thereunder, provided that, for such purpose,

this Assignment shall constitute an authorization and direction to the tenants under the Leases to pay all rents and other amounts payable under the Leases to Assignee, without proof of default hereunder, upon receipt from Assignee of written notice to thereafter pay all such rents and other amounts to Assignee and to comply with any notice or demand by Assignee for observance or performance of any of the covenants, terms, conditions and agreements contained in the Leases to be observed or performed by the tenants thereunder, and provided, further, that Assignor will facilitate in all reasonable ways Assignee's collection of such rents, issues, income and profits, and upon request will execute written notices to the tenants under the Leases to thereafter pay all such rents and other amounts to Assignee; and

(d) Make any payment or do any act required herein of Assignor in such manner and to such extent as Assignee may deem necessary, and any amount so paid by Assignee shall become immediately due and payable by Assignor with interest thereon until paid at an annual rate (the "Default Rate") equal to four percent (4%) plus the Loan Rate (as defined in the Note) in effect from time to time under the Note and shall be secured by this Assignment.

6. Application of Proceeds. All sums collected and received by Assignee out of the rents, issues, income and profits of the Premises following the occurrence of any one or more events of default under the provisions of paragraph 4 of this Assignment shall be applied as follows:

(a) First, to reimbursement of Assignee for and of all reasonable expenses of taking and retaining possession of the Premises, managing the Premises and collecting the rents, issues, income and profits thereof, including without limitation, salaries, fees and wages of a managing agent and such other employees as Assignee may deem necessary and proper, and reasonable attorneys' fees; reasonable operating and maintaining the Premises, including without limitation, taxes, charges, claims, assessments, water rents, sewer rents, other liens, and premiums for any insurance provided in the Mortgage; the cost of all alterations, renovations, repairs or replacements of or to the Premises which Assignee may deem necessary and proper, with interest thereon at the Default Rate;

(b) Second, to reimbursement of Assignee for and of all reasonable sums expended by Assignee pursuant to paragraph 5(d) hereof to make any payment or do any act required herein of Assignor, together with interest thereon at the Default Rate;

(c) Third, to reimbursement of Assignee for and of all other reasonable sums with respect to which Assignee is indemnified pursuant to paragraph 7 hereof, together with interest thereon at the Default Rate;

(d) Fourth, to reimbursement of Assignee for and of all other reasonable sums expended or advanced by Assignee pursuant to the terms and provisions of or constituting additional indebtedness under any of the Loan Documents, with interest thereon at the Default Rate;

(e) Fifth, to the payment of all accrued and unpaid interest on the principal sum of the Note;

(f) Sixth, to payment of the unpaid balance of the principal sum of the Note; and

(g) Seventh, any balance remaining to Assignor, its successors and assigns.

7. Limitation of Assignee's Liability. Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to let the Premises following the occurrence of any one or more events of default under the provisions hereof or from any other act or omission of Assignee in reasonably managing, operating or maintaining the Premises following the occurrence of any one or more events of default under the provisions hereof. Assignee shall not be obligated to observe, perform or discharge, nor does Assignee hereby undertake to observe, perform or discharge any covenant, term, condition or agreement contained in any Lease to be observed or performed by the lessor thereunder, or any obligation, duty or liability of Assignor under or by reason of this Assignment, and Assignor shall and does hereby agree to indemnify Assignee for, and to hold Assignee harmless of and from, any and all liability, loss or damage which Assignee may or might incur under any Lease or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on its part to observe or perform any of the covenants, terms, conditions and agreements contained in any Lease; provided, however, that Assignor's obligation pursuant to this paragraph 7 shall not extend to any occurrence or matter in which Assignee has been guilty of willful misconduct or gross negligence. Should Assignee incur any such liability, loss or damage under any Lease or under or by reason of this Assignment, or in the defense of any such claim or demand, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall become immediately due and payable by Assignor with interest thereon at the Default Rate and shall be secured by this Assignment. This Assignment shall not operate to place responsibility for the care, control, management or repair of the Premises or for the carrying out of any of the covenants, terms, conditions and agreements contained in any Lease upon Assignee, nor shall it operate to make Assignee responsible or liable for any waste committed upon the Premises by any tenant, occupant or other party, 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 or injury or death to any tenant, occupant, licensee, employee or stranger.

8. Non-Waiver. Nothing contained in this Assignment and no act done or omitted to be done by Assignee pursuant to the rights and powers granted to it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under the Note, or any of the Loan Documents; this Assignment is made and accepted without prejudice to any of the rights and remedies of Assignee under the terms and provisions of such instruments; and Assignee may exercise any of its rights and remedies under the terms and provisions of such instruments either prior to, simultaneously with, or subsequent to any action taken by it hereunder. Assignee may take or release any other security for the performance of the obligations secured hereby, may release

any party primarily or secondarily liable therefor, and may apply any other security held by it for the satisfaction of the obligations secured hereby without prejudice to any of its rights and powers hereunder.

9. Further Assurances. Assignor shall execute or cause to be executed such additional instruments (including, but not limited to, general or specific assignments of such Leases as Assignee may designate) and shall do or cause to be done such further acts, as Assignee may reasonably request, in order to permit Assignee to perfect, protect, preserve and maintain the assignment made to Assignee by this Assignment.

10. Severability. The invalidity or unenforceability of any particular provision of this Assignment shall not affect the other provisions, and this Assignment shall be construed in all respects as if such invalid or unenforceable provision had not been contained herein.

11. Benefit. This Assignment is binding upon Assignor, its successors and assigns, and the rights, powers and remedies of Assignee under this Assignment shall inure to the benefit of Assignee and its successors and assigns.

12. Written Modifications. This Assignment shall not be amended, modified or supplemented without the written agreement of Assignor and Assignee at the time of such amendment, modification or supplement.

13. Notices. Any notice which any party hereto gives to any other party hereunder shall be in writing and shall be deemed given when delivered in person to an authorized representative of the party or two (2) business days after the same is deposited in the United States mail, as registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

To each Assignor: c/o Lakewest Equity, Inc.
Suite 3950
55 East Monroe Street
Chicago, Illinois 60603
Attn: Mr. Roger F. Ruttenberg

With a copy to: Goldberg, Kohn, Bell, Black, Rosenbloom & Mortiz
Suite 3900
55 East Monroe Street
Chicago, Illinois 60603
Attn: Carole Towne, Esq.

To Assignee: Exchange National Bank of Chicago
120 South LaSalle Street
Chicago, Illinois 60603
Attn: Ms. Catherine Cahill

With a copy to: Greenberger, Krauss & Jacobs, Chartered
180 North LaSalle Street
Suite 2700
Chicago, Illinois 60601
Attn: David Glickstein, Esq.

Any party hereto may designate a different address for notice purposes by giving notice thereof in accordance with this paragraph, provided, however, that such notice shall not be deemed given until actually received by the addressee.

14. Duration. This Assignment shall become null and void at such time as Assignor shall have paid the principal sum of the Note, together with all interest thereon, and shall have fully paid and performed all of the other obligations secured hereby and by the Loan Documents.

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

16. Joint and Several Liability. The Partnership and the Trust shall be jointly and severally liable hereunder. An action to enforce this Assignment may be brought against either the Partnership or the Trust without any requirement of joinder of the other party in such action. Any amounts due under this Assignment may be recovered in full from either the Partnership or the Trust.

17. Trustee Exculpation. This Assignment is executed by the Trustee, not personally but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in such Trustee, and it is expressly understood and agreed that nothing in this Assignment shall be construed as creating any liability on such Trustee to personally perform any express or implied covenant, condition or obligation under this Assignment, all such liability, if any, being expressly waived by every person or entity now or hereafter claiming any right, title or interest under this Assignment. Notwithstanding the foregoing, the Assignee shall not be precluded from: (a) recovering any condemnation awards or insurance proceeds attributable to the Premises; (b) recovering any tenant security deposits, advance or pre-paid rents, earnest money deposits or proceeds due and payable under the terms of any contract whereby the Partnership has sold any of the Partnership's assets; (c) enforcing the personal liability of the Guarantors in their capacity as such for the payment of the Note and the performance of the Loan Documents; (d) enforcing the personal liability of the Partnership, as the co-maker of the Note; and (e) enforcement of the rights and remedies under the Loan Documents.

IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment as of the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee as aforesaid

By: _____
Title: _____

Attest: _____
Title: ASST SECT

87195833

LAKE RIVER OAKS PROPERTIES LIMITED PARTNERSHIP, an Illinois limited partnership

By: Lakewest Equity Properties II, an Illinois limited partnership, a general partner

By: Lakewest Equity, Inc., an Illinois corporation, a general partner

By: [illegible]
Title: President

Attest: Mary F. Hegel
Title: Asst Sec

87195833

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____, the _____ of American National Bank and Trust Company of Chicago (the "Bank"), and _____, the _____ of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ and _____, 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, for the uses and purposes therein set forth; and the said _____ then and there acknowledged that he, as custodian of the seal of said Bank, did affix the 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, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this AUG 26 1987 day of August, 1987.

_____
NOTARY PUBLIC

(SEAL)

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Carole K. Towne, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Roger F. Luttenberg and Marc Z. Siegel as the President and Asst. Secretary of Lakewest Equity, Inc., an Illinois corporation (the "Corporation"), for such Corporation as a general partner of Lakewest Equity Properties II, an Illinois limited partnership ("Lakewest Equity II") for and as a general partner of Lake River Oaks Properties Limited Partnership, an Illinois limited partnership (the "Partnership"), who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument in such capacity, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of the Partnership, for the uses and purposes therein set forth; and the said Asst. Secretary _____ then and there acknowledged that ~~he~~, as custodian of the seal of said Corporation, did affix the seal of said Corporation to said instrument as his own free and voluntary act and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 25th day of August, 1987.

_____
NOTARY PUBLIC

(SEAL)

87495833

EXHIBIT A

LEGAL DESCRIPTION

Lots 1, 6, 7, 9, 10 and 12, also the North 40 feet of Lots 8 and 11, all in Hoover School First Addition of that part lying South of Michigan City Road, (Schrum Road) as dedicated in Document 11,245,758, of the East 613.72 feet of the North West 1/4 of the North East 1/4 of the North East 1/4 of Section 19, Township 36 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois, except the East 33 feet thereof dedicated for Mackinaw Avenue by Plat Document No. 16,256,941.

Permanent Tax Number: 30-19-218-022 Volume: 225

87195833

87495833

DEPT-01 RECORDING $23.00
T#1111 TRAN 1267 09/09/87 16:18:00
#9549 # A *-87-495833
COOK COUNTY RECORDER

87495833

23 -