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ASSIGNMENT OF LEASES AND RENTS

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THIS ASSIGNMENT OF LEASES AND RENTS (herein sometimes called "Assignment") is made as of July 20, 1991 by Lunt Buildings Venture (referred to here as "Assignor") whose address is 3701 W. Lunt Avenue, Lincolnwood, IL in favor of Bank of Lincolnwood, located at 4433 W. Touhy Avenue, Lincolnwood, IL ("Assignee").

RECITALS

WHEREAS, Assignor is the owner of the land commonly known as 3701 W. Lunt Avenue, Lincolnwood, IL 60645 and legally described on Exhibit A attached hereto, together with all improvements thereon (the "Premises"); and

WHEREAS, concurrently herewith Assignee has made a loan to Assignor in the amount of \$1,100,000.00, evidenced by a promissory note dated even herewith (the "Note") made by Assignor payable to the order of Assignee; and

WHEREAS, to evidence and secure the obligations and liabilities of Assignor to Assignee in connection with the Note, Assignor has executed and delivered to Assignee (i) a Mortgage, Assignment of Leases and Rents, Security Agreement, and Financing Statement (ii) this Assignment of Leases and Rents, and (iii) has caused certain guarantors (referred to herein collectively as "Guarantor") to execute an unconditional written guarantee of the obligations of Assignor to Assignee. The Note, the Mortgage, this Assignment and all other documents and instruments heretofore, now or hereafter given to evidence the obligations of Assignor, Assignee or as security for or to guarantee the payment of, or made in connection with the negotiation, origination or extension of, or to perfect or continue the security and trust thereby created to secure the Liabilities (defined herein), are herein collectively referred to as the "Loan Documents"); and

WHEREAS, the term "Liabilities," as used in this Assignment, means and includes all of the following:

- i) the principal, interest and all other sums due and owing with the terms of the Note, the Mortgage and all other Loan Documents;

THIS DOCUMENT PREPARED BY AND AFTER RECORDING RETURN TO: Cynthia Jared, Esq. Sachnoff & Weaver, Ltd. 30 South Wacker Drive Suite 2900 Chicago, Illinois 60606

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ii) all indebtedness of any kind arising under, and all amounts of any kind which at any time become due or owing to the Assignee, under or with respect to the Note, the Mortgage or any of the other Loan Documents;

iii) all of the covenants, obligations and agreements of Assignor in, under or pursuant to the Note, the Mortgage, and all of the other Loan Documents, and all advances, costs or expenses paid or incurred by the Assignee to protect any or all of the Collateral (defined herein), perform any obligation of the Assignor hereunder or collect any amount owing to the Assignee, or either of them, which is secured hereby;

iv) any and all other liabilities, obligations and indebtedness, howsoever created, arising or evidenced, direct or indirect, absolute or contingent, recourse or nonrecourse, now or hereafter existing or due or to become due, owing by the Assignor to the Assignee;

v) interest on all of the foregoing at the interest rate provided in the Note;

vi) and all costs of enforcement and collection of the Note, the Mortgage and the other Loan Documents, if any, including attorney's fees; and

NOW THEREFORE, FOR VALUE RECEIVED, Assignor hereby grants, transfers and assigns to Assignee:

- (i) immediate and continuing right to receive and collect the rents, income, profits and issues arising out of, payable from or collected from the Premises including all monies owed the Assignor as landlord under a Lease (as defined in (ii) below) for services, materials, leasehold improvements or otherwise furnished or installed pursuant to any Lease (collectively the "Rental Income");
- (ii) all of Assignor's right, title and interest in and to (but none of its obligations under) all leases and agreements for the leasing, use or occupancy of the Premises now, heretofore or hereafter entered into, and all renewals and extension thereof ("Lease" or "Leases" as the case may be), including all Leases listed and described on Exhibit B attached hereto;
- (iii) all guarantees of the obligations of any tenant under a lease ("Guarantees");

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- (iv) all payments derived therefrom including but not limited to claims for the recovery of damages done to the Premises or for the abatement of any nuisance existing thereon, claims for damages resulting from default under said Leases whether resulting from acts of insolvency or acts of bankruptcy or otherwise, and lump sum payments for the cancellation of said Leases or the waiver of any obligation or term thereof prior to the expiration date ("Payments");
- (v) all rights and remedies the Assignor may have against a tenant under a Lease ("remedies");
- (vi) all proceeds payable by reason of the exercise by a tenant of any option to purchase the Premises or any first refusal rights of a tenant contained in a Lease ("Option Proceeds");
- (vii) all rights in and to any proceeds of insurance payable to Assignor and damages or awards resulting from an authority exercising the rights of eminent domain with respect to the Premises ("Awards");
- (viii) any award or damages payable to the Assignor pursuant to any bankruptcy, insolvency or reorganization proceeding affecting any tenant ("Bankruptcy Payments");
- (ix) any payments made to Assignor in lieu of rent ("Payments in lieu"); and
- (x) all security deposits paid by any tenant under a Lease ("Security Deposits");

all the foregoing being collectively referred to herein as the "Rents".

This Assignment is given for the purpose of securing the Liabilities.

AND BORROWER FURTHER REPRESENTS, WARRANTS, COVENANTS AND AGREES:

## ARTICLE I PERFORMANCE OF LEASES

1.1 Performance of Leases. The Assignor shall:

- (a) Faithfully abide by, perform and discharge each and every obligation, covenant and agreement under any and

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- all Leases of the Premises to be performed by the landlord thereunder;
- (b) Enforce or secure the performance of each and every material obligation, covenant, condition and agreement of said Leases by the tenants thereunder to be performed;
  - (c) Not borrow against, pledge or further assign any Rents due under said Leases;
  - (d) Not permit the prepayment of any Rents for more than thirty (30) days in advance nor for more than the next accruing installment of Rents, nor anticipate, discount, compromise, forgive or waive any Rents;
  - (e) Not waive, excuse, condone or in any manner release or discharge any tenants of or from the obligations, covenants, conditions and agreements by said tenants to be performed under the Leases;
  - (f) Not permit any tenant to assign, sublet or mortgage, or grant any security interest in its interest in its Lease unless required to do so by the terms of the Lease and then only if such assignment does not work to relieve the tenant of any liability for payment of and performance of its obligations under the Lease;
  - (g) Not terminate any Lease or accept a surrender thereof or a discharge of the tenant unless required to do so by the terms of its Lease or unless the Assignor and tenant shall have executed a new Lease effective upon such termination for the same term of years at a rental not less than as provided in the terminated Lease and on terms no less favorable to the landlord than as in the terminated Lease;
  - (h) Not consent to a subordination of the interest of any tenant to any party other than Assignee and then only if specifically consented to by the Assignee; and
  - (i) Not amend or modify any Lease or alter the obligations of the parties thereunder.

## ARTICLE II PROTECTION OF SECURITY

2.1 Protection of Security. The Assignee shall have the right at Assignor's sole cost and expense to appear in and defend any action or proceeding arising under, growing out of or in any manner connected with any Lease or the obligations, duties or liabilities of the landlord thereunder, and Assignor agrees to

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pay all costs and expenses of Assignee, including attorney's fees in a reasonable sum, in any such action or proceeding in which the Assignee in their sole discretion may appear.

## ARTICLE III REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties. Assignor represents and warrants:

- (a) that it is now the absolute owner of said Rents and Leases with full right and title to assign the same, subject to Assignee's lien and other Permitted Exceptions in the Mortgage;
- (b) that there are no outstanding assignments or pledges of any Rents or Leases, subject to Assignee's lien and other Permitted Exceptions as provided in the Mortgage;
- (c) that there are not existing monetary defaults except as otherwise disclosed in writing to Assignee and, to the best of their knowledge, no monetary defaults under the provisions of any Lease on the part of any party to such Lease;
- (d) that all obligations on the part of the landlord under any Lease have been fully complied with;
- (e) that no Rents have been collected for more than thirty (30) days in advance of their due date or waived, anticipated, discounted, compromised or released, except as disclosed to Assignee;
- (f) that to Assignor's knowledge no tenant has any defenses, setoffs, or counterclaims against Assignor;
- (g) Assignor has not executed any instrument that would prevent Assignee from enjoying the benefits of this Assignment; and
- (h) that no part of the Premises is used as a homestead or agricultural property.

## ARTICLE IV PRESENT ASSIGNMENT

4.1 Present Assignment. This Assignment shall constitute a perfected, absolute and present assignment, provided the Assignor shall have the right to collect, but not prior to accrual, all of the Rents, and to retain, use and enjoy the same unless and until an Event of Default shall occur hereunder. The right of Assignor to collect the Rents shall constitute a revocable license in

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favor of Assignor, revocable by Assignee in accordance with this Assignment upon an Event of Default.

## ARTICLE V EVENTS OF DEFAULT

5.1 Events of Default. It shall be an Event of Default under this Assignment upon the happening of any of the following:

- (a) failure to pay any payments when due under the Note, within ten (10) of the due date thereof; or
- (b) failure to pay when due any other payment required to be made under the Mortgage or any other Loan Document within ten (10) days of the due date thereof; or
- (c) failure to fully and timely comply with the terms and conditions of this Assignment which default is not cured within fifteen (15) days after notice thereof; or
- (d) an Event of Default or Default (as defined therein) shall occur under the Mortgage or any other Loan Document which is not cured within the time period provided therefor, if any; or
- (e) any representation or warranty made by Assignor herein, in the Mortgage or in any other Loan Document shall be false, breached or dishonored in any material respect.

## ARTICLE VI REMEDIES

6.1 Remedies. Upon an Event of Default, the Assignee, without regard to waste, adequacy of the security or solvency of the Assignor, may revoke the license granted Assignor hereunder to collect the Rents, and may, at their option, without notice, either:

- (a) In person or by agent, with or without taking possession of or entering the Premises, with or without bringing any action or proceeding, give, or require the Assignor to give, notice to any or all tenants under the Leases authorizing and directing the tenants to pay all Rents directly to the Assignee; collect all of the Rents; enforce the payment thereof and exercise all of the rights of the Assignor under any Lease and all of the rights of the Assignee hereunder; do all of the things permitted a receiver by statute or by this Assignment; and may enter upon, take possession of, manage and operate the Premises, or any part thereof; may cancel, enforce or modify the Leases, and fix or

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modify rents, and do any acts which the Assignee deems proper to protect the security hereof; or

- (b) Apply for appointment of a receiver, for which receivership Assignor hereby consents to, who shall have all the rights permitted by law and all rights permitted to Assignee in this Assignment and who shall collect the Rents, manage the Premises so as to prevent waste; execute leases within or beyond the period of receivership; perform the terms of this Assignment and apply the Rents as hereinafter provided.

**6.2 Application of Rents.** Any Rents whether collected by the Assignee or by a receiver shall be applied in the following order:

- (a) to payment of all reasonable fees of any receiver appointed;
- (b) to the repayment when due of all tenant security deposits with interest thereon;
- (c) to payment when due of prior or current real estate taxes and special assessments payable with respect to the Premises or, if the Mortgage so requires, to the periodic escrow for payment of the taxes and special assessments then due;
- (d) to payment when due of premiums for insurance required by the Mortgage or, if the Mortgage so requires, to the periodic escrow for the payment of premiums then due;
- (e) to payment of all expenses incurred for normal maintenance of the Premises; and
- (f) to the Assignee and in the event that a foreclosure sale of the Mortgage shall have occurred:
  - (i) if the Assignee is the purchaser at the foreclosure sale, the Rents shall be paid to the Assignee to be applied to the extent of any deficiency remaining after the sale, the balance to be retained by the Assignee, and if the Premises be redeemed by the Assignor or any other party entitled to redeem, to be applied as a credit against the redemption price, provided, if the Premises not be redeemed, any remaining excess Rents are to be paid to the Assignee and deposited with Assignee, as set forth in the Indenture for application as provided therein, whether or not a deficiency exists; or

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- (ii) if the Assignee is not the purchaser at the foreclosure sale, the Rents shall be paid to the deficiency remaining after the sale, and the balance, if any, to the purchaser provided if the Premises are redeemed by the Assignor or other party entitled to redeem, the Rents collected after foreclosure sale shall be applied as a credit against the redemption price with the remainder to be paid to Assignor. If the Premises are not redeemed by Assignor, any remaining excess Rents shall be paid to the purchaser.

The exercise of Assignee's rights hereunder, the appointment of a receiver, the collection of such Rents and the application thereof as aforesaid shall not cure or waive any Event or Default or waive, modify or affect notice of default under the Mortgage or invalidate any act done pursuant to said notice, nor in any way operate to prevent the Assignee from pursuing any remedy which now or hereafter it may have under the terms and conditions of said Mortgage or the other Loan Documents or any other instruments securing the same. The rights and powers of the Assignee hereunder shall remain in full force and effect both prior to and after any foreclosure of the Mortgage and any sale pursuant thereto and until expiration of the period of redemption for said sale. The purchaser at any foreclosure sale, including the Assignee, shall have the right at any time and without limitation, to advance money to any receiver appointed of the Premises to pay any part or all of the items which the receiver would otherwise be authorized to pay if cash were available from the Premises and the sum so advanced, with interest at the Default Rate, shall be a part of the sum required to be paid to redeem from any foreclosure sale.

6.3 Full Remedies. It is the intention of the parties that this Assignment shall confer upon the Assignee the fullest rights, remedies and benefits available under applicable law.

## ARTICLE VII GENERAL COVENANTS

7.1 No Liability Imposed on Assignee. The Assignee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under the Leases nor shall this Assignment operate to place responsibility for the control, care, management or repair of the Premises upon the Assignee nor for the carrying out of any of the terms and conditions of said Leases; nor shall it operate to make the Assignee responsible or liable for any waste committed on the Premises, 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



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in loss or injury or death to any tenant, licensee, employee or stranger nor liable for laches or failure to collect any Rents.

7.2 Indemnification. The Assignor shall and does hereby agree to indemnify and to hold harmless Assignee from and against any and all liability, loss or damage which it may or might incur under the Leases or under of by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said Leases excepting the gross negligence or intentional wrongful acts of Assignee. Should the Assignee incur any such liability, or in the defense of any such claims or demands or a judgment be entered against Assignee, the amount thereof, including costs, expenses, and reasonable attorney's fees, shall bear interest thereon at the Default Rate, as defined in the Mortgage, shall be secured hereby, shall be added to the Liabilities and Assignor shall reimburse the Assignee for the same immediately upon demand, and upon the failure of Assignor so to do the Assignee may declare all Liabilities immediately due and payable.

7.3 Tenant to Recognize Assignee. Each tenant under any Lease is hereby irrevocably authorized and directed to recognize the claims of Assignee or any receiver appointed, without investigating the reason for any action taken or the validity or the amount of indebtedness owing to the Assignee, or the existence of any default under the Note, the Mortgage or Event of Default hereunder, or the application of the proceeds to be made by the Assignee or such receiver. Assignor hereby irrevocably directs and authorizes the tenants to pay to Assignee or such receiver all sums due under the Leases and consents and directs that said sums shall be paid to any such receiver in accordance with the terms of its receivership or to Assignee without the necessity for a judicial determination that a default has occurred hereunder or under the Mortgage or that Assignee is entitled to exercise its rights hereunder, and to the extent such sums are paid to Assignee or such receiver, the Assignor agrees that the tenant shall have no further liability to Assignor for the same. The sole signature of Assignee, or such receiver shall be sufficient for the exercise of any rights under this Agreement and the sole receipt by Assignee or such receiver for any sums received shall be a full discharge and release therefor to any such tenant or occupant of the Premises. Checks for all or any part of the Rents collected under this Assignment shall upon notice from the Assignee be drawn to the exclusive order of the Assignee or such receiver.

7.4 Attorney in Fact. Assignor hereby irrevocably appoints Assignee and its successors and assigns as Assignor's agent and attorney in fact, which appointment is irrevocable and coupled with an interest, to exercise any rights or remedies hereunder

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and to execute and deliver during the term of this Assignment such instruments as Assignee may deem necessary to make this Assignment and any further assignment effective.

7.5 Assignment of Future Leases. Until the Liabilities shall have been paid in full, Assignor will on demand of the Assignee deliver to the Assignee executed copies of any and all other and future Leases upon all or any part of the said Premises and agrees to make, execute and deliver unto Assignee upon demand and at any time or times, any and all assignments and other instruments sufficient to assign such Leases and Rents thereunder to Assignee or that the Assignee may deem to be advisable for carrying out the true purposes and intent of this Assignment. From time to time upon request of the Assignee, on behalf of Assignee, the Assignor agrees to furnish Assignee with a rent roll of the Premises disclosing current tenancies, rents payable, and such other matters as Assignee may reasonably request.

7.6 No Assignee in Possession. Nothing herein contained and no actions taken pursuant to this Assignment shall be construed as constituting the Assignee as "Assignee in Possession".

7.7 Assignee Creditor of Tenant. Assignor agrees that Assignee, and not Assignor, shall be and be deemed to be the creditor of the Tenant in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such Tenant (without obligation on the part of Assignee, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditor's rights therein), with an option to Assignee to apply any money received by Assignee as such creditor in reduction of the Liabilities.

7.8 Continuing Rights. The rights and powers of Assignee or any receiver hereunder shall continue and remain in full force and effect until all Liabilities, including any deficiency remaining from a foreclosure sale, are paid in full, and shall continue after commencement of a foreclosure action and after foreclosure sale and until expiration of any period of redemption.

## ARTICLE VIII MISCELLANEOUS

8.1 Successors and Assigns. This Assignment and each and every covenant, agreement and provision hereof shall be binding upon the Assignor and its successors and assigns including without limitation each and every record owner of the Premises or any other person having an interest therein from time to time and shall inure to the benefit of the Assignee and their successors and assigns (including any co-trustee under the Indenture). As

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used herein the words "successor and assigns" shall also be deemed to mean the heirs, executors, representatives and administrators of any natural person who is a party to this Agreement.

8.2 Governing Law. This Assignment and its terms shall be construed in accordance with the laws of the State of Illinois.

8.3 Severability. It is the intent of this Assignment to confer to the Assignee the rights and benefits hereunder to the full extent allowable by law. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. Any provisions found to be unenforceable shall be severable from this Assignment.

8.4 Notices. Except as otherwise provided herein, all notices or other communications hereunder shall be sufficiently given and shall be deemed given when delivered by hand delivery, overnight courier service, telegram or facsimile followed by written confirmation, or on the third day after being sent, by registered or certified mail, first class postage prepaid, return receipt requested, addressed to the addresses set forth below, whether or not actually received or accepted by the addressee. Such notices shall be given as follows:

Notice shall be addressed as follows:

If to Assignor: 3701 W. Lunt Avenue  
Lincolnwood, IL 60645

with a copy to: James Marovitz  
Sidley & Austin  
One First National Plaza  
Chicago, IL 60603

If to Assignee: 4433 W. Touhy Avenue  
Lincolnwood, IL 60646  
Attn: Lee P. Gubbins

with a copy to: Sachnoff & Weaver, Ltd.  
30 South Wacker Drive  
Suite 2900  
Chicago, Illinois 60606  
Attn: Cynthia Jared, Esq.

Any party hereto may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

8.5 Captions and Headings. The captions and headings of the various sections of this Assignment are for convenience only

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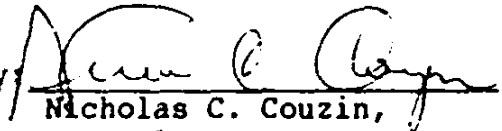
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and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

8.6 Counterparts. This Assignment may be executed in any number of counterparts and by each of the undersigned on separate counterparts, and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Assignment.

IN WITNESS WHEREOF, this Assignment is executed as of the date first above written.

Lunt Buildings Venture

By:   
Nicholas C. Couzin,  
general partner

By:   
Jerome E. Hirsch,  
general partner

Permanent Index Number(s):

10-35-126-035

Common Address:

3701 W. Lunt Avenue  
Lincolnwood, IL 60645

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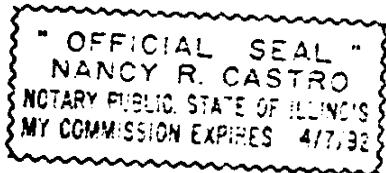
STATE OF ILLINOIS )  
 )  
COUNTY OF \_\_\_\_\_ ) SS

The undersigned, a Notary Public within and for said County, in the State aforesaid, duly commissioned and acting, do hereby certify that on this 5<sup>th</sup> day of July, 1997, personally appeared before me Nicholas C. Cousin and Jerome E. Hirsch, the general partners of Lunt Buildings Venture, and to me personally well known and known to be the persons who signed the foregoing instrument, and who, being by me duly sworn, stated and acknowledged that they are general partners, of said joint venture, and that they signed and delivered the same in behalf of said joint venture, with authority, as their and its free and voluntary act and deed for the uses and purposes therein mentioned and set forth.

WITNESS my hand and seal as such Notary Public the day and year in this certificate above written.

Nancy R. Castro  
Notary Public

My commission expires: \_\_\_\_\_



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## EXHIBIT A

### Description of the Land

THE EAST 344 FEET OF THE WEST 819 FEET OF LOTS 2, 3, AND 4  
TAKEN AS A TRACT (AS MEASURED ON THE SOUTH LINE THEREOF) OF JOHN  
REINBERG'S MORSE AVENUE ADDITION TO LINCOLNWOOD BEING A  
RESUBDIVISION OF PART OF THE SOUTH EAST 1/4 OF THE NORTHWEST 1/4  
OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD  
PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Property of Cook County Clerk's Office

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## EXHIBIT B

Unrecorded Lease in favor of Mid Continent Screw Products Co.

Property of Cook County Clerk's Office

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