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ASSIGNMENT OF RENTS AND LEASES

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THIS ASSIGNMENT is made on October 30, 1992, by HABERDASHER, INC., An Illinois Corporation, whose mailing address is 1725 W. North Avenue, Chicago, Illinois, 60622, ("Borrower"), to MANUFACTURERS BANK, An Illinois Banking Corporation whose mailing address is 1200 N. Ashland Avenue, Chicago, Illinois 60622 ("Assignee"). Borrower is hereinafter called the "Assignor".

WITNESSETH

Assignor, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby bargain, sell, transfer, assign, convey, set over and deliver unto Assignee all rights, title and interest of the Assignor and each of them in, to and under all present leases of the Premises described in EXHIBIT "A" attached hereto and made a part hereof ("Premises") (including those leases described on the SCHEDULE OF LEASES attached hereto and made a part hereof as Exhibit "B") together with all future leases hereinafter entered into by any lessor affecting the Premises, and all guaranties, amendments, extensions and renewals of said leases and each of them (all of which are hereinafter collectively called the "Leases") and all rents, income and profits which may now or hereafter be or become due or owing under the leases and each of them, or on account of the use of the Premises.

This Assignment is made for the purpose of securing:

A. The payment of the Indebtedness (including any extensions and renewals thereof) evidenced by a certain PROMISSORY NOTE of Borrower of even date herewith in the principal sum of \$1,500,000.00 (the "Note") and secured by a certain MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT ("Mortgage") of Borrower of even date herewith, encumbering the Premises; and

B. The payment of all other sums with interest thereon becoming due and payable to Assignee under the provisions of the Mortgage and all other instruments constituting security for the Note; and

C. The performance and discharge of each and every term, covenant and condition of Borrower contained in the Note, Mortgage and in all other instruments constituting security for the Note.

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Assignor covenants and agrees with Assignee as follows:

1. that there is no present lease of the premises not listed on the SCHEDULE OF LEASES.

2. That the sole ownership of the entire landlords' interest in the lease is vested in Assignor. Assignor has not, and will not: (a) perform any act or execute any other instrument which might prevent Assignee from fully exercising its rights under any term, covenant or condition of this Assignment; (b) execute any assignment or pledge, of rents, income, profits or any of the Lease(s) except an assignment or pledge to Assignee securing the Indebtedness secured hereby; (c) accept any payment of any installment of rent more than thirty (30) days before the due date thereof; or (d) make any lease of the Premises except for actual occupancy by the tenant thereunder.

3. That each of those Leases listed on the SCHEDULE OF LEASES is valid and enforceable in accordance with its terms and none has been altered, modified, amended, terminated, cancelled, renewed or surrendered nor has any term or condition thereof been waived in any manner whatsoever, except as heretofore approved in writing by Assignee.

4. That, without the prior written approval of the Assignee, which consent shall not be unreasonably withheld none of the Leases shall be altered, modified, amended, terminated, cancelled or surrendered, except in the ordinary course of business and only in the event such action does not have a material adverse effect on the operation of, or the rental income from, the Premises, nor shall any term or condition thereof be waived.

5. That there is no default now existing under any of the leases in the payment of rent, and, to the best of Assignor's knowledge, there is no other default now existing under any of the leases, and to the best of Assignor's knowledge, there exists no state of facts which, with the giving of notice or lapse of time or both, would constitute default under any of the leases; and that Assignor will fulfill and perform each and every covenant and condition of each of the leases by the landlord thereunder to be fulfilled or performed and, at the sole cost and expense of Assignor, enforce (short of termination of any of the leases) the performance and observance of each and every covenant and condition of all such leases by the tenants thereunder to be performed and observed.

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6. That Assignor shall give prompt notice to Assignee of each notice received by Assignor or any of them claiming that a default has occurred under any of the leases on the part of the landlord, together with a complete copy of each such notice.

7. That each of the Leases shall remain in full force and effect irrespective of any merger of the interest of any landlord and any tenant under any of the Leases.

8. That, without Assignee's prior written consent in each case, Assignor will not suffer or permit any of the Leases to become subordinate to any lien other than the lien of the Mortgage, this Assignment and general real estate taxes not delinquent; and lien expressly subordinated to the mortgage consisting of the following (2) subordinated mortgages: (a) Mortgage dated April 13, 1992, in favor of Jay R. Scanlon and Marilyn F. Bacon, securing a debt not to exceed \$457,293.96; and (b) Mortgage dated August 10, 1992, in favor of LaSalle Equipment Limited Partnership, An Illinois Limited Partnership, securing a debt not to exceed \$300,000.00.

9. That this Assignment is absolute and is effective immediately; however, until notice is sent by Assignee to the Assignor in writing that an event of default has occurred under the Note or under any other instrument at any time constituting security for the Note and has not been cured within the applicable cure periods (an "Event of Default") (each such notice is hereafter called a "Notice"), Assignor may receive, collect and enjoy the rents, income and profits accruing from the Premises.

10. That if any Event of Default occurs at any time, Assignee may (at its option after service of a Notice) receive and collect when due all such rents, income and profits from the Premises and under any and all Leases of all or any part of the Premises. Assignee shall thereafter continue to receive and collect all such rents, income and profits until such event of default is cured and during the pendency of any foreclosure proceedings, and (if there is a deficiency) during the redemption period (if any).

11. That Assignor hereby irrevocably appoints Assignee its true and lawful attorney-in-fact, with full power of substitution and with full power for Assignor in its own name and capacity or in the name and capacity of Assignee (from and after an Event of Default and the service of a Notice) to demand collect, receive and give complete acquittances for any and all rents, income and profits accruing from the Premises, and at Assignee's discretion to file any claim or take any other action or proceeding and

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make any settlement of any claims, in its own name or in the name of Assignor or otherwise, which Assignee may deem necessary or desirable in order to collect and enforce the payment of the rents, income and profits, All present and future tenants of the Premises are hereby expressly authorized and directed (from and after an Event of Default and service of a Notice) to pay to Assignee, or to such nominee as Assignee may designate in a writing delivered to and received by such tenants, all amounts due Assignor or any of them pursuant to the leases, all present and future tenants are further expressly authorized and directed to rely on notices from Assignee and shall have no right or duty to inquire as to whether any event of default has actually occurred or is then existing, all present and future tenants are expressly relieved of all duty, liability or obligation to Assignor and each of them in respect of all payments so made to Assignee or such nominee.

12. That after an Event of Default and service of a Notice, Assignee is hereby vested with full power to use all measures, legal and equitable, deemed by it necessary or proper to enforce this Assignment and to collect the rents, income and profits assigned hereunder, including the right of Assignee or its designee to enter upon the Premises, or any part thereof, and take possession of all or any part of the Premises together with all personal property, fixtures, documents, books, records, papers and accounts of Assignor and each of them relating thereto, and may exclude the Assignor and its agents and servants wholly therefrom. Assignor hereby grants full power and authority to Assignee to exercise all rights, privileges and powers herein granted at any and all times (after an Event of Default and service of a Notice) without further notice to Assignor, with full power to use and apply all of the rents and other income herein assigned to payment of the costs of managing and operating the Premises and to payment of all Indebtedness and liability of Assignor to Assignee, including but not limited to: (a) the payment of taxes, special assessments, insurance premiums, damage claims, the costs of maintaining, repairing, rebuilding and restoring the improvements on the Premises or of making the same rentable, reasonable attorney's fees incurred in connection with the enforcement of this Assignment; and (b) principal and interest payments due from Borrower to Assignee on the Note and the Mortgage; all in such order and for such time as Assignee may determine.

13. That Assignee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of any landlord under any of the leases. Assignee does not hereby assume any of the liabilities in

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connection with or arising or growing out of the covenants and agreements of Assignor under any of the leases.

14. That Assignor hereby agrees to indemnify Assignee and to hold Assignee harmless from any liability, loss or damage including, without limitation, reasonable attorneys' fees which may or might be incurred by Assignee under the leases or by reason of this Assignment, 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 perform or discharge any term, covenant or agreement contained in any of the leases, except any liability, loss or damage or claims or demands resulting from Assignee's gross negligence or willful misconduct.

15. That this Assignment shall not operate to place responsibility for the control, care, management or repair of the Premises, or parts thereof, upon Assignee, nor shall it operate to make Assignee liable for the performance or observance of any term, condition, covenant or agreement contained in any of the leases, or for any waste of the Premises by any tenant under any of the leases or any other person, 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, other than as a result of Assignee's gross negligence or willful misconduct.

16. That Assignee may: (a) take or release other security; (b) release any party primarily or secondarily liable for any of the Indebtedness secured hereby; (c) grant extensions, renewals or indulgences with respect to such Indebtedness; and (d) apply any other security therefor held by Assignee to the satisfaction of such Indebtedness; in each case without prejudice to any of Assignee's other rights hereunder or under any other security given to secure the Indebtedness secured hereby.

17. That Assignee may, at its option after reasonable notice to the Assignor, although it shall not be obligated to do so, perform any Lease covenant for and on behalf of the Assignor, and all monies expended in so doing shall be chargeable to the Assignor, with interest thereon at the rate set forth in the Note applicable to a period when a default exists under the Note, and shall be added to the Indebtedness secured hereby, and shall be immediately due and payable.

18. That waiver of, or acquiescence by Assignee in, any default by the Assignor, or failure of the Assignee to

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insist upon strict performance by the Assignor of any covenant, condition or agreement in this Assignment or otherwise, shall not constitute a waiver of any subsequent or other default or failure, whether similar or dissimilar.

19. That the rights, remedies and powers of Assignee under this Assignment are cumulative and are not in lieu of, but are in addition to, all other rights, remedies and powers which Assignee has under the Note and all instruments constituting security for the Note, and at law and in equity.

If any provision contained in this Assignment or its application to any person or circumstance is to any extent invalid or unenforceable, the remainder of this Assignment and the application of such provisions to persons or circumstance (other than those as to which it is invalid or unenforceable) shall not be affected, and each term of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

Each Notice given pursuant to this Assignment shall be sufficient and shall be deemed served upon personal delivery or upon the third day after deposit in the mails if mailed postage prepaid, certified or registered mail, return receipt requested, to the addresses provided in the Note, or to such other address as a party may indicate in writing by a Notice in accordance herewith.

The term "Assignor", "Assignee" and "Borrower" shall be construed to include the heirs, personal representatives, successors and assigns thereof. The gender and number used in this Assignment are used as a reference term only and shall apply with the same effect whether the parties are of the masculine or feminine gender, corporate or other form, and the singular shall likewise include the plural.

This Assignment may not be amended, modified or changed nor shall any waiver of any provisions hereof be effective, except only by an instrument in writing and signed by the party against whom enforcement of any waiver, amendment, change, modification or discharge is sought.

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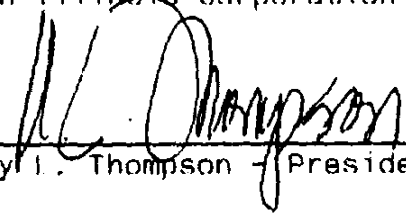
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IN WITNESS WHEREOF, the said Assignor has caused this instrument to be signed and sealed as of the date first above written.

HABERDASHER, INC.,
An Illinois Corporation

BY:


Mary I. Thompson - President

ATTEST:

BY:


Marilyn F. Bacon - Secretary

THIS INSTRUMENT PREPARED BY AND MAIL TO:

Irene Ford
Manufacturers Bank
1200 N. Ashland Avenue
Chicago, Illinois 60622

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BOX 333

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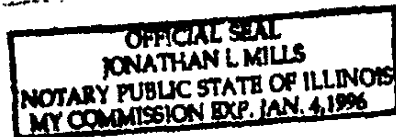
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Jonathan L. Mills, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Mary L. Thompson, as President and Marily F. Bacon, as Secretary of HABERDASHER, INC., An Illinois Corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument and as such President and Secretary, 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 the Corporation and Marily F. Bacon, as Secretary, then and there acknowledged that as custodian of the corporate seal of said Corporation, did affix the corporate seal of said Corporation to said instrument as her 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 30th day of October, 1992.

Jonathan L. Mills

Notary Public



My Commission Expires: _____

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Property of Cook County Clerk's Office

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JUDICIAL CENTER
CHICAGO, ILL.

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EXHIBIT A Legal Description

Unit #s 102, 201 to 209, inclusive, 301 to 309, inclusive, and Parking Spaces P-1 Thru P-27, inclusive in the 1725 West North Avenue Condominium as Delineated on a Survey of the Following Described Real Estate :

Lots 15 to 21 in Block 2 in Mc Reynold's Subdivision of part of the East 1/2 of the Northeast 1/4, North of Milwaukee Avenue of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian, which Survey is attached as Exhibit "A" to the Declaration of Condominium Recorded as Document Number 92815332 together with its undivided percentage interest in the Common Elements in Cook County, Illinois.**

Property address: 1725 W. North Avenue
Chicago, Illinois 60622

PTN #17-06-203-010-0000

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EXHIBIT B

Schedule of Leases

All of the rents, issues and profits now due and which may hereafter become due, whether during or after the term of our Note, under or by virtue of any lease, whether written or verbal, or any letting of or any agreement for the use and occupancy of any part of said property heretofore or hereafter made or agreed to, it being the intention of the Assignor to establish an absolute transfer and assignment to Assignee of all such leases and agreements made or agreed to by the undersigned or by the Assignee under the powers herein granted and of all the avails thereof.

THIS INSTRUMENT WAS PREPARED BY:

Irene Ford
Manufacturers Bank
1200 N. Ashland Avenue
Chicago, Illinois 60622

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BORROWER'S CERTIFICATE REGARDING HAZARDOUS WASTE

It is hereby certified to Manufacturers Bank ("Lender") by HARFRDASHER, INC., An Illinois Corporation; (hereinafter referred to as "Borrower") and LaSalle Equipment Limited Partnership, An Illinois Ltd. Partnership; Gately Enterprises, Inc., An Illinois Corporation; and Jay R. Scanlon, Individually; Charles M. Gately, Individually; and Marily F. Bacon, Individually, as Co-Makers under the Note;

I.

1. As used below, and in any of the other loan documents and instruments ("Loan Documents") being executed by or at the direction of Borrower in connection with Lender's loan of \$1,500,000.00 to Borrower, "Hazardous substance" shall mean and include all hazardous and toxic substances, wastes or materials, any pollutants or contaminants (including, without limitation, asbestos and raw materials, which include hazardous constituents), or other similar substances, or materials which are included under or regulated by any local, state or federal law, rule or regulation pertaining to environmental regulation, contamination or cleanup, including without limitation, the comprehensive environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Resource Conservation and Recovery Act ("RCRA"), the Illinois Environmental Protection Act, the Illinois Responsible Property transfer Act of 1988 as amended, or state superlien or environmental cleanup statutes; (all such laws, rules and regulations being referred to collectively as "Environmental laws").

Any other terms maintained or used in the following subsections which are defined in state or federal statutes and/or regulations promulgated in relation thereto shall have the meaning given to such terms by said statutes and regulations.

2. To the best of Borrower's and Co-Makers knowledge, after due inquiry and investigation, none of the real property owned and/or occupied by the Borrower or securing indebtedness owed by Borrower to the Lender, including but not limited to, the mortgaged premises described in that certain Mortgage dated October 30, 1992, to Lender as mortgagee and commonly known as 1725 W. North Avenue, Chicago, Illinois, 60622, (collectively, the "Property"), has ever been used by previous owners and/or operators or Borrower to generate, manufacture, refine, transport, treat, store, handle or dispose of any "hazardous substance"; and Borrower does not intend to, nor shall it, use any of its real property, including but not limited to, the Property, for such purposes.

3. To the best of Borrower's and Co-Makers knowledge, after due inquiry and investigation, none of the real property owned and/or occupied by the Borrower, including but not limited to, the Property, has ever contained, by previous owners and/or operators or Borrowers, PCB or other toxic materials, whether used in construction or stored on the Property, with the exception of Asbestos, which was removed from the property in 1987.

4. Borrower or Co-Makers have not received a summons, citation, notice, order, directive, letter or other communication, written or oral, from any agency or department of the County of Cook, State of Illinois or the U.S. Government concerning any intentional or unintentional action or omission on Borrower's or Co-Makers part which had resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping (hereafter collectively "release") of "hazardous substance" into waters or onto lands of the State of Illinois, or into waters outside the jurisdiction of the State of Illinois where damage may have resulted in the lands, waters, fish, shellfish, wildlife, biota, air and other resources owned, managed, held in trust or otherwise controlled by the State of Illinois.

5. Borrower and Co-Makers shall not cause or permit to exist, as a result of an intentional or unintentional act or omission on its part, a release of a "hazardous substance" into waters or onto lands of the State of Illinois, or into waters outside the jurisdiction of the State of Illinois where damage may result to the lands, waters, fish, shellfish, wildlife, biota, air and other resources owned, managed, held in trust or otherwise controlled by the State of Illinois, unless said release is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal or state governmental authorities.

6. Borrower and Co-Makers shall immediately notify lender should Borrower become aware of (i) any "hazardous substance" or other environmental problem or liability with respect to the Property, or (ii) any lien, action, or notice of the nature described in Paragraph 4 above. Borrower and Co-Makers shall, at their own cost and expense, take all actions as shall be necessary or advisable for the cleanup of the Property, including all removal, containment and remedial actions in accordance with all applicable Environmental laws (and in all events in a manner satisfactory to lender), and shall further pay or cause to be paid at no expense to lender all cleanup, administrative, and enforcement costs or applicable governmental agencies which may be asserted against the Property or the owner thereof.

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7. Borrower has executed and delivered to Lender an Environmental Disclosure Document for Transfer of Real Property required by the Illinois Responsible Property Transfer Act of 1988, as amended; and Borrower hereby represents and warrants to lender that (a) all information, facts and disclosures made by Borrower therein were true and correct as of the date of the execution thereof and shall remain true and correct as of the date of the consummation of the loan, and (b) Borrower has no knowledge of any fact, condition of the loan, and (b) Borrower has no knowledge of any fact, condition or event which renders or may render the said Disclosure documents untrue or inaccurate in any respect.

8. The representations, warranties and covenants of Borrower and Co-Makers set forth in this Section I shall continue in effect and shall remain true and correct in all material respects until the loan described in the Commitment and all other liabilities and indebtedness now existing or hereafter owing by Borrower and Co-Maker to lender are indefeasibly paid in full, at which time such representations, warranties and covenants shall expire and be of no further force or effect, unless title to the Property or any interest therein or portion thereof is transferred pursuant to foreclosure proceedings or by deed in lieu of foreclosure or otherwise in connection with any event of Default. If such a transfer occurs before such loan and other indebtedness and liabilities are indefeasibly paid in full, then the representations, warranties and covenants of Borrower set forth in this Section I shall continue after such transfer, even if such loan and other liabilities and indebtedness are so paid or otherwise satisfied, for so long as a valid claim may be lawfully asserted against Lender or the Buyer at such foreclosure proceeding with respect to matters for which Lender is indemnified under Section II.

II.

1. Borrower and Co-Makers are fully aware that Lender is relying on this certification in making the loan described in the Commitment to Borrower and Borrower and Co-Makers hereby agree to indemnify, hold harmless and defend lender and its officers, directors, partners, employees, agents, successors and assigns, against any liability, loss, claim, penalty, damage or expense (including attorneys' fees and disbursements) to which any of the foregoing parties may become subject insofar as they may arise out of or are based upon any of the following:

- (a) any violation of Environmental Laws with respect to the Property, or any governmental or judicial claim, order or judgment with respect to the

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cleanup of "hazardous substance" at or with respect to the Property;

- (b) any breach of any of the warranties, representations and covenants contained in Section 1 hereof.

2. Those liabilities, losses, claims, damages or expenses for which Lender is indemnified under this Section II shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for ultimate outcome of any litigation, claim or other proceeding; and Borrower and Co-Makers shall pay such liability, losses, claims, damages and expenses to Lender as so incurred within thirty (30) days after notice from Lender itemizing the amounts incurred to the date of such notice. In addition to any remedy available for failure to periodically pay such amounts, such amounts shall thereafter bear interest at the rate of 15% per annum.

3. Borrower and Co-Makers waive any acceptance of this indemnity by Lender. The failure of Lender to enforce any right or remedy hereunder, or to promptly enforce any such right or remedy, shall not constitute a waiver thereof nor give rise to any estoppel against Lender, nor excuse Borrower and Co-Makers from their obligations hereunder. Any waiver of such right or remedy must be in writing and signed by Lender. This indemnity is subject to enforcement at law and/or equity, including actions for damages and/or specific performance.

4. This Certificate is executed in order to induce the Lender to make a certain loan to the Borrower and Co-Makers in the aggregate principal sum of \$1,500,000.00, as evidenced by the Promissory Note. Borrower's obligations under this Certificate shall not be subject to any non-recourse or other limitation of liability provisions, if any, in any of the Loan Documents, and Borrower acknowledges that its obligations under this Certificate are unconditional, and are not limited by any such non-recourse or similar limitation of liability provisions.

IN WITNESS WHEREOF, and intending to be legally bound hereby Borrower has caused this Certificate to be executed this 30th day of October, 1992.

HABERDASHER, INC.

BY: 

Mary L. Thompson - President

ATTEST:

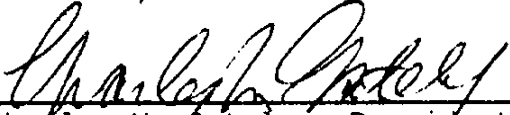

Marily H. Bacon - Secretary

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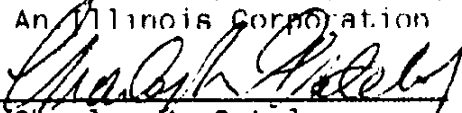
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LaSalle Equipment Limited Partnership,
An Illinois Ltd. Partnership
BY: Gately Enterprises, Inc., An Illinois
Corporation, General Partner


By: 
Charles M. Gately - President

ATTEST: 
Gerry J. D'Antonio - Secretary


Gately Enterprises, Inc.,
An Illinois Corporation

BY: 
Charles M. Gately
President

ATTEST: 
Gerry J. D'Antonio
Secretary


Jay R. Scanlon-Individually


Charles M. Gately-Individually


Marilyn F. Bacon - Individually

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