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ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS, made January 15, 1993, by Richard Smulski to and Undivided 1/2 and Henry Smulski and Rose Smulski, as Joint Tenants, to an Undivided 1/2, whose address is P.O. Box 6376 Rockford Illinois, 61125, (hereinafter referred to as "Assignor"), in favor of FIRST FEDERAL SAVINGS BANK, F.S.B., whose address is 612 North Main Street, Rockford, Illinois 61103 (hereinafter referred to as "Assignee"),

W I T N E S S E T H:

FOR VALUE RECEIVED, Assignor does hereby assign, transfer, set over and convey unto Assignee all of Assignor's right, title and interest in, to and under (i) the Identified Leases, if any, as shown in Schedule "1" attached hereto and incorporated by reference, (ii) any and all leases, subleases or other tenancies, whether written or oral, existing or which may hereafter exist, and (iii) any and all extensions, renewals, and replacements thereof, upon all or any part of the real property located in Cook County, Illinois, legally described in Exhibit "A" attached hereto and incorporated by reference (hereinafter referred to as the "Premises"); (all of the leases, subleases and tenancies referred to above are hereinafter referred to as the "Leases");

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Together with any and all guaranties of tenants' performance under the Leases;

Together with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues, proceeds and profits (hereinafter referred to as the "Rents"), now due or which may become due or to which Assignor may now or may hereafter become entitled or which he may demand or claim, including those Rents coming due during any redemption period, arising or issuing from or out of the Leases or otherwise from or out of the Premises or any part thereof, including but not limited to, minimum rents, additional rents, percentage rents, deficiency rents, and liquidated damages following default, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenantability due to destruction or damage to the Premises, and all escrow accounts or security deposit accounts, together with any and all rights and claims of any kind that Assignor may have against any tenant under the Leases or any subtenants or occupants of the Premises;

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To have and to hold the same unto the Assignee, its successors and assigns, until termination of the assignment as hereinafter provided;

Subject, however, to a license hereby granted by Assignee to Assignor to collect and receive the Rents; provided, however, that this license is limited as hereinafter provided;

For the purpose of securing the payment of the indebtedness incurred by Assignor, which indebtedness is evidenced by that certain note of even date herewith made by Assignor and payable to the order of Assignee in the principal amount of Fifty Five Thousand and NO/100ths ($55,000.00) (hereinafter referred to as "Note"), including any extensions, modifications, and renewals thereof and any supplemental note or notes increasing such indebtedness, and secured by that certain Commercial Real Estate Mortgage (hereinafter referred to as the "Mortgage") of even date herewith made by Assignor to Assignee with respect to the Premises as well as for the performance and fulfillment of all other terms, covenants, conditions and warranties contained in the Note and Mortgage, or other security instrument defined as one of the "Loan Documents" in the Mortgage, and in any extensions, modifications, supplements, and other consolidation thereof.

In order to protect the security of the assignment, it is covenanted and agreed as follows:

1. Assignor's Covenants Concerning Leases and Rents. Assignor represents and covenants that:

(a) It has good title to the Leases and Rents hereby assigned and full right to assign them, and no other person, firm, or corporation has any right, title or interest therein.

(b) Assignor has duly and punctually performed all the terms, covenants, conditions, and warranties of the Leases that were to be kept, observed, and performed by it.

(c) The Identified Leases, if any, and all other existing Leases are valid and unmodified and in full force and effect, except as indicated herein.

(d) None of the rents due and issuing from the Premises or from any part thereof for any period subsequent to the date hereof have not been collected, and payment thereof has not

otherwise been anticipated, waived, released, discounted, set off, or compromised.

(e) The tenants under the Identified Leases, if any, and all other existing Leases are not in default of any of the terms thereof.

2. Assignor's Covenants of Performance. Assignor covenants and agrees to:

(a) observe, perform, and fulfill, duly and punctually, all the obligations, terms, covenants, conditions and warranties of all existing and future Leases affecting the Premises that Assignor is to keep, observe and perform;

(b) give prompt notice to Assignee of any notice, demand, or other document received by Assignor from tenants under the Identified Leases shown in Schedule "1" hereof specifying any default claimed to have been made by the Assignor under the Identified Leases;

(c) enforce or secure in the name of Assignee, upon notice to Assignee, the performance of each and every obligation, term, covenant, condition, and warranty in the Leases to be performed or fulfilled by any tenant, and notify Assignee of the occurrence of any default under the Leases;

(d) appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligation, duties or liabilities of Assignor and any tenant thereunder, and upon request by Assignee, do so in the name and on behalf of Assignee, but in all cases at the expense of Assignor; and

(e) pay all costs and expenses of Assignee, including attorneys' fees in a reasonable sum, in any action or proceeding in which Assignee may appear in connection herewith.

3. Prior Approval for Actions Affecting Leases. Assignor further covenants and agrees that it shall not, without the prior written consent of the Assignee:

(a) receive or collect any Rents from any present or future tenant of the Premises or any part thereof for a period of more than one (1) month in advance of the date on which such payment is due;

(b) waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any tenant under any Lease of the Premises of and from any obligation, covenant, condition or warranty to be observed, performed, or fulfilled by the tenant, including the obligation to pay the Rents thereunder in the manner and at the place and time specified therein; or

(c) cancel, terminate or consent to any surrender of any of the Leases, or modify or alter any material term of any Lease; or

(d) enter into a new or amended lease for any part of the Premises at rental rates or on terms which are materially less favorable to Assignor than any existing lease or leases.

4. Default Deemed Default Under Note and Mortgage. In the event any representation or warranty of Assignor made herein shall be found to be untrue, or Assignor shall default in the performance or fulfillment of any obligation, term, covenant, condition or warranty herein, and such default shall continue for ten (10) days or more after written notice thereof is given by Assignee to Assignor, the Assignee may, at its option, declare each such instance to be a default under the Note and Mortgage, thereby entitling Assignee to declare all sums secured hereby immediately due and payable and to exercise any and all of the rights and remedies provided thereunder and herein, as well as by law.

5. License to Collect Rents. As long as there shall exist no default by Assignor in the payment of any indebtedness secured hereby or in the performance or fulfillment of any other obligation, term, covenant, condition or warranty contained herein or in the Note, Mortgage or other Loan Documents, or in the Leases, Assignor shall have the right under a license granted hereby to collect all of the Rents arising from or out of said Leases or any renewals, extensions and replacements thereof, or from or out of the Premises or any part thereof. Assignee may, at its option and from time to time, require Assignor to hold such Rents as a trust fund to be applied as required by the Assignee, and Assignor hereby covenants to so apply them before using any part of the same for any other purposes; firstly, to the payment of taxes and assessments upon said Premises before penalty or interest is due thereon; secondly, to the cost of insurance, maintenance and repairs required by the terms of the Mortgage; thirdly, to the satisfaction of all obligations specifically set forth in the Leases; and fourthly, to the

payment of interest and principal becoming due on the Note.

6. Transfer of License. Upon the conveyance by Assignor and its successors and assigns of the fee title of the Premises and/or the transfer of the voting stock of Assignor or the beneficial interest thereof, all right, title, interest and powers granted under the license aforesaid shall automatically pass to and may be exercised by such subsequent owner or assignee, subject, however, to all of the provisions of this instrument, all of which shall be binding upon such subsequent owner or assignee. The aforementioned conveyance and transfer shall not constitute a default under the terms and provisions of this agreement.

7. Enforcement and Termination of License. Upon or at any time after default by Assignor under this instrument as provided in paragraph 4 above, or upon or at any time after a default by Assignor under the Note or Mortgage and the expiration of any grace period for curing such default, Assignee shall have, at its option and without further notice, the complete right, power and authority to exercise and enforce any or all of the following rights and remedies at any time:

(a) to terminate the license granted to Assignor, to collect the Rents and to demand, collect, receive and sue for the Rents in Assignee's own name; to give proper receipts, releases and acquittances therefor; and after deducting all necessary and proper costs and expenses of operation and collection as determined by Assignee, including its attorneys' fees, to apply the net proceeds thereof, together with any funds of Assignor deposited with Assignee, upon any indebtedness secured hereby and in such order as Assignee may determine;

(b) to declare all sums secured hereby immediately due and payable and, at its option, exercise all or any of the rights and remedies contained in the Note, Mortgage and other Loan Documents;

(c) without regard to the adequacy of the security or the solvency of Assignor, with or without any action or proceeding through any person, by agent or by a receiver to be appointed by a court, and without regard to Assignor's possession, to enter upon, take possession of, manage and operate the Premises or any part thereof; make, modify, enforce, cancel or accept surrender of any Leases now or hereafter in effect on said Premises or any part thereof; remove and evict any lessee; increase or decrease rents; decorate, clean, and repair; otherwise do any act or incur

any costs or expenses that Assignee shall deem proper to protect the security hereof, as fully and to the same extent as Assignor could do if in possession; and apply the Rents so collected in such order as Assignee shall deem proper to the operation and management of the Premises, including the payment of management, brokerage and attorneys' fees, and then to the indebtedness under the Note; and

(d) require Assignor to transfer all security deposits to Assignee, together with all records evidencing these deposits;

provided, however, that the acceptance by Assignee of this assignment, with all of the rights, powers, privileges and authority so created, shall not prior to entry upon and taking possession of said Premises by Assignee, be deemed or construed to constitute Assignee a "Mortgagee in Possession," or create any obligation on the part of Assignee with respect to the Leases or the management or operation of the Premises.

8. Records. Until the indebtedness secured hereby shall have been paid in full, Assignor shall, if requested in writing by Assignee, deliver to Assignee executed copies of any and all renewals of existing Leases and all future Leases upon all or any part of the Premises, and will transfer and assign such Leases upon the same terms and conditions as herein contained. Assignor hereby covenants and agrees to make, execute and deliver to Assignee upon demand and at any time any and all such additional assignments, and all records and documents, including, but not limited to, rent-rolls and books of account sufficient for the purpose, that Assignee may deem to be necessary or advisable for carrying out the purposes and intent of this Assignment.

9. No Waiver. The failure of Assignee to avail itself of any of the terms, covenants and conditions of this assignment for any period of time or at any time shall not be construed or deemed to be a waiver of any such right, and nothing herein contained nor anything done or omitted to be done by Assignee pursuant hereto shall be deemed a waiver by Assignee of any of its rights and remedies under the Note, Mortgage or Loan Documents, or the laws of the state in which the said Premises are situated. The rights of Assignee to collect the said indebtedness, to enforce any other security therefor or to enforce any other right or remedy hereunder may be exercised by Assignee either prior to, simultaneously with, or subsequent to, any other action taken hereunder and shall not be deemed an election of remedies.

10. Primary Security. This Assignment of Leases and Rents is primary in nature to the obligation evidenced and secured by the Note, Mortgage and other Loan Documents, and any other document given to secure and collateralize the indebtedness. Assignor further agrees that Assignee may enforce this assignment without first resorting to or exhausting any other security or collateral.

11. Merger. The fact that the Leases or the leasehold estates created thereby may be held, directly or indirectly, by or for the account of any person or entity which shall have an interest in the fee estate of the Premises shall not merge any Leases or the leasehold estates created thereby with the fee estate in the Premises as long as any of the indebtedness secured hereby and by the Note and Mortgage shall remain unpaid, unless Assignee shall consent in writing to such merger.

12. Termination of Assignment. Upon payment in full of all of the indebtedness secured by the Note and Mortgage and all sums payable hereunder, this assignment shall be void and of no effect. No judgment or decree entered as to said indebtedness shall operate to abrogate or lessen the effect of this assignment until the indebtedness has actually been paid. A demand by Assignee of any tenant for payment of Rents by reason of any default claimed by Assignee shall be sufficient direction to said tenant to make future payments of Rents to Assignee without the necessity for further consent by, or notice to, Assignor.

13. Notice. All notices, demand or documents of any kind that the parties may be required to or may desire to serve hereunder shall be sufficiently served by depositing a copy in the United States mail, postage prepaid, certified or registered mail, addressed as follows:

If to Assignor:

With a copy to: Attorney _____

_____

_____

If to Assignee: Donald J. Pafford
FIRST FEDERAL SAVINGS BANK, F.S.B.
612 North Main Street
Rockford, Illinois 61103

With a copy to: Attorney Donald L. Moore
Holmstrom & Kennedy, P.C.
P. O. Box 589
800 North Church Street
Rockford, Illinois 61105

Any such notice shall be deemed to have been given on the date of the postmark of the notice, and not on the date of the receipt thereof by the addressee.

14. Successors. The terms, covenants, conditions and warranties contained herein and the powers granted hereby shall run with the land and shall inure to the benefit of, and bind, all parties hereto and their respective heirs, successors and assigns, all tenants and their subtenants and assigns, and all subsequent owners of the Premises and subsequent holders of the Note and Mortgage.

15. Severability. If any provision of this assignment or the application thereof to any entity, person or circumstance shall be invalid or unenforceable to any extent, the remainder of this assignment and the application of its provisions to other entities, persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

16. Third-Party Beneficiaries. It is expressly agreed by Assignor that this Assignment shall not be construed or deemed made for the benefit of any third party or parties.

17. Construction. Whenever used herein and the context requires it, the singular number shall include the plural, the plural the singular, and any gender shall include all genders. All obligations of each Assignor hereunder shall be joint and several.

ASSIGNOR:

BY: Richard Smulski
Richard Smulski

BY: Henry Smulski
Henry Smulski

BY: Rose Smulski
Rose Smulski

ASSIGNEE:

FIRST FEDERAL SAVINGS BANK, F.S.B.

BY: Donald J. Pafford by [illegible]
Donald J. Pafford Vice President
This Instrument Prepared By:

Attorney Donald L. Moore
Holmstrom & Kennedy, P.C.
800 North Church Street, P.O. Box 589
Rockford, Illinois 61105

Return After Recording To:
Donald J. Pafford
FIRST FEDERAL SAVINGS BANK, F.S.B.
612 North Main Street
Rockford, Illinois 61103

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SCHEDULE 1

TO

ASSIGNMENT OF LEASES AND RENTS

Identified Leases:

Any and all leases now in effect or which will become effective over the term of the loan.

LEGAL DESCRIPTION

EXHIBIT "A"

LOTS 25 AND 26 IN BLOCK 1 IN J. CASTELLO'S SUBDIVISION OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 35, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

13-B5-116-010
2101-09 N. Pulaski
Chgo 60639

State of Illinois)
SS.
County of ~~Winnebago~~ Boone)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Richard Smulski, Henry Smulski and Rose Smulski, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me that he/she/they signed and delivered said instrument as his/hers/theirs own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21st day of January, 1993.

Barb A. Statdfield
Notary Public

"OFFICIAL SEAL"
BARB A. STATDFIELD
Notary Public, State Of Illinois
My Commission Expires 3/31/96

CORPORATE NOTARY

State of Illinois)
ss
County of Winnebago)

I, Melinda Long, a Notary Public in and for said county in the State aforesaid, do hereby certify that Donald J. Pafford personally known to me to be the Vice President of FIRST FEDERAL SAVINGS BANK, F.S.B., whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President he signed and delivered the said instrument of writing as Vice President of said FIRST FEDERAL SAVINGS BANK, F.S.B., and caused the corporate seal of said FIRST FEDERAL SAVINGS BANK, F.S.B. to be affixed thereto, pursuant to authority given by the Board of Directors of said Corporation, as their free and voluntary act, and as the free and voluntary act and deed of said Vice President for the purposes therein set forth.

Given under my hand and notarial seal this 21st day of January, A.D. 1993.

My commission expires: 10/24/93

Melinda Long
Notary Public

"OFFICIAL SEAL"
MELINDA LONG
Notary Public, State of Illinois
My Commision Expires 10/24/93

Com - 1.42 Rev. 10/92