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This document was prepared by:

MOUNT GREENWOOD BANK

3052 W. 111TH

CHICAGO, ILLINOIS 60655

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COOK COUNTY RECORDER

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ASSIGNMENT OF RENTS AND LEASES

As Security for a Loan
From MOUNT GREENWOOD BANK

33.00

1. **DATE AND PARTIES.** The date of this Assignment of Rents and Leases (Agreement) is May 1, 1995, and the parties are the following:

OWNER/BORROWER:

RICHARD CARIOTI

10412 S. Cicero

Oak Lawn, Illinois 60453

Social Security # 334-50-4715

husband of Lynn Carioti

LYNN CARIOTI

9215 Wheeler Drive

Orland Park, IL 60462

Social Security # 345-48-9522

wife of Richard Carioti

BANK:

MOUNT GREENWOOD BANK

an ILLINOIS banking corporation

3052 W. 111TH

CHICAGO, ILLINOIS 60655

Tax I.D. # 36-2202468

Branch No. 13730

2. **OBLIGATIONS DEFINED.** The term "Obligations" is defined as and includes the following:

- A. A promissory note, No. _____, (Note) dated May 1, 1995, and executed by RICHARD CARIOTI and LYNN CARIOTI (Borrower) payable to the order of Bank, which evidences a loan (Loan) to Borrower in the amount of \$108,000.00, plus interest, and all extensions, renewals, modifications or substitutions thereof.
- B. All future advances by Bank to Borrower, to Owner, to any one of them or to any one of them and others (and all other obligations referred to in the subparagraph(s) below, whether or not this Agreement is specifically referred to in the evidence of indebtedness with regard to such future and additional indebtedness).
- C. All additional sums advanced, and expenses incurred, by Bank for the purpose of insuring, preserving or otherwise protecting the Collateral (as herein defined) and its value, and any other

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means advanced, and expenses incurred by Bank pursuant to this Agreement, plus interest at the same rate provided for in the Note computed on a simple interest method.

- D. All other obligations, now existing or hereafter arising, by Borrower owing to Bank to the extent the taking of the Collateral (as herein defined) as security therefor is not prohibited by law, including but not limited to liabilities for overdrafts, all advances made by Bank on Borrower's, and/or Owner's, behalf as authorized by this Agreement and liabilities as guarantor, endorser or surety, of Borrower to Bank, due or to become due, direct or indirect, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several.
- E. Borrower's performance of the terms in the Note or Loan, Owner's performance of any terms in this Agreement, and Borrower's and Owner's performance of any terms in any deed of trust, any trust deed, any trust indenture, any mortgage, any deed to secure debt, any security agreement, any other assignment, any construction loan agreement, any loan agreement, any assignment of beneficial interest, any guaranty agreement or any other agreement which secures, guarantees or otherwise relates to the Note or Loan

However, this security interest will not secure another debt:

- A. if this security interest is in Borrower's principal dwelling and Bank fails to provide (to all persons entitled) any notice of right of rescission required by law for such other debt; or
- B. if Bank fails to make any disclosure of the existence of this security interest required by law for such other debt.

3. BACKGROUND. The Loan is secured by, but is not limited to, a mortgage (Mortgage) dated May 1, 1995, on the following described property (Property) situated in COOK County, ILLINOIS, to-wit:

Lot 26 in Block 1 in Maria Lamb's Subdivision of Lot 12 and the East 8 feet of Lot 14
In the Assessor's Division of the southwest 1/4 of Section 4, Township 38 North,
Range 14 East of the Third Principal Meridian, In Cook County, Illinois. P.I.N.#:
20-04-327-005-0000

The Property may be commonly referred to as 4623 S. Emerald, Chicago, Illinois 60609

4. ASSIGNMENT. In consideration of the Loan, Owner assigns, bargains, sells and conveys to Bank all of Owner's right, title and interest in and to all rents and profits from the Property and all leases of the Property now or hereafter made, effective immediately upon the execution of this Agreement (all of which are collectively known as the Collateral), which Collateral is described as follows:
- A. all leases (Leases) on the Property. The term "Leases" in this Agreement shall include all agreements, written or verbal, existing or hereafter arising, for the use or occupancy of any portion of the Property and all extensions, renewals, and substitutions of such agreements, including subleases thereunder.
 - B. all guaranties of the performance of any party under the Leases.
 - C. the right to collect and receive all revenue (Rent) from the Leases on the Property now due or which may become due. Rent includes, but is not limited to the following: revenue issue, profits, rent, minimum rent, percentage rent, additional rent, common area maintenance charges, parking charges, real estate taxes, other applicable taxes, security deposits, insurance premium contributions, liquidated damages following default, cancellation premiums, "loss of rents" insurance or other proceeds, and all rights and claims which Owner may have against any person under the terms of the Leases.
5. COLLECTION OF RENT. Owner shall give notice of Bank's rights to all Rent and notice of direct payment to Bank to those obligated to pay Rent. Prior to an Event of Default, Owner may continue to collect all Rent from the Leases on the Property now due or which may become due. Owner agrees to direct all tenants that in certain instances they may be required to pay Rent due or to become due to Bank. Owner shall endorse and deliver to Bank any money orders, checks or drafts which represent Rent from the above-described Property, apply the proceeds to the Obligations, and give notice of Bank's rights in any of said Rent and notice of direct payment to Bank to those obligated to pay such Rent. Bank shall be the creditor of each Lessee in respect to assignments for the benefit of creditors, bankruptcy, reorganization,

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rearrangement, insolvency, dissolution or receivership proceedings by Lessee, and Owner shall immediately pay over to Bank all sums Owner may receive as creditor from such actions or proceedings. Also, Bank may collect or receive all payments paid by any Lessee, whether or not pursuant to the terms of the Leases, for the right to terminate, cancel or modify the Leases, and Owner shall immediately pay over to Bank all such payments as Owner may receive from any Lessee. Bank shall have the option to apply any amounts received as such creditor to the Obligations. The collection or receipt of any payments by Bank shall not constitute Bank as being a mortgagee in possession.

6. APPLICATION OF COLLATERAL PROCEEDS. Any Rent or other payments received or to be received by virtue of the Collateral, will be applied to any amounts Borrower owes Bank on the Obligations and shall be applied first to costs and expenses, then to accrued interest and the balance, if any, to principal except as otherwise required by law.

7. WARRANTIES. To induce Bank to make the Loan, Owner makes the following representations and warranties:

- A. Owner has good title to the Leases and Rent and good right to assign them, and no other person has any right in them;
- B. Owner has duly performed all of the terms of the Leases that Owner is obligated to perform;
- C. Owner has not previously assigned or encumbered the Leases or the Rent and will not further assign or encumber the Leases or future Rent;
- D. No Rent for any period subsequent to the current month has been collected or received from Lessee, and no Rent has been compromised. The term "Lessee" in this Agreement shall include all persons or entities obligated to Owner under the Leases;
- E. Upon request by Bank, Owner will deliver to Bank a true and complete copy of an accounting of Rent which is current as of the date requested;
- F. Owner has complied and will continue to comply with any applicable landlord-tenant laws;
- G. No Lessee is in default of any of the terms of the Leases;
- H. Owner has not and will not waive or otherwise compromise any obligation of Lessee under the Leases and will enforce the performance of every obligation to be performed by Lessee under the Leases;
- I. Owner will not modify the Leases without Bank's prior written consent, will not consent to any Lessee's assignment of the Leases, or any subletting thereunder, without Bank's prior written consent and will not sell or remove any personal property located on the Property unless replaced in like kind for like or better value; and
- J. Owner will not subordinate any Leases to any mortgage, lien, or encumbrance affecting the Property without Bank's written consent.

8. OWNER'S AGREEMENTS. In consideration of the Loan, Owner agrees:

- A. to deliver to Bank upon execution of this Agreement copies of the Leases, certified by Owner, as being true and correct copies which accurately represent the transactions between the parties;
- B. not to amend, modify, extend or in any manner alter the terms of any Leases, or cancel or terminate the same, or accept a surrender of any premises covered by such Leases without the prior written consent of Bank in each instance;
- C. to observe and perform all obligations of Lessor under the Leases, and to give written prompt notice to Bank of any default by Lessor or Lessee under any Leases;
- D. to notify each Lessee in writing that any deposits previously delivered to Owner have been retained by Owner or assigned and delivered to Bank as the case may be;
- E. to appear in and defend any action or proceeding pertaining to the Leases, and, upon the request of Bank, to do so in the name and on behalf of Bank but at the expense of Owner, and to pay all costs and expenses of Bank, including reasonable attorneys' fees to the extent not prohibited by law, in any such action or proceeding in which Bank may appear;
- F. to give written notice of this Agreement to each Lessee which notice shall contain instructions to each Lessee that in certain instances Lessee shall make all payments of Rent directly to Bank;
- G. to indemnify and hold Bank harmless for all liabilities, damages, costs and expenses, including reasonable attorneys' fees, Bank incurs when Bank, at its discretion, elects to exercise any of its

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remedies upon default of Lessee;

- H. that if the Leases provide for abatement of Rent during repair due to fire or other casualty, Bank shall be provided satisfactory insurance coverage; and
- I. that the Leases shall remain in full force and effect regardless of any merger of the Lessor's and Lessee's interests.

9. **EVENTS OF DEFAULT.** Owner shall be in default upon the occurrence of any of the following events, circumstances or conditions (Events of Default):

- A. Failure by any party obligated on the Obligations to make payment when due; or
- B. A default or breach by Borrower, Owner or any co-signer, endorser, surety, or guarantor under any of the terms of this Agreement, the Note, any construction loan agreement or other loan agreement, any security agreement, mortgage, deed to secure debt, deed of trust, trust deed, or any other document or instrument evidencing, guarantying, securing or otherwise relating to the Obligations; or
- C. The making or furnishing of any verbal or written representation, statement or warranty to Bank which is or becomes false or incorrect in any material respect by or on behalf of Owner, Borrower, or any one of them, or any co-signer, endorser, surety or guarantor of the Obligations; or
- D. Failure to obtain or maintain the insurance coverages required by Bank, or insurance as is customary and proper for the Collateral (as herein defined); or
- E. The death, dissolution or insolvency of, the appointment of a receiver by or on behalf of, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Owner, Borrower, or any one of them, or any co-signer, endorser, surety or guarantor of the Obligations; or
- F. A good faith belief by Bank at any time that Bank is insecure with respect to Borrower, or any co-signer, endorser, surety or guarantor, that the prospect of any payment is impaired or that the Collateral (as herein defined) is impaired; or
- G. Failure to pay or provide proof of payment of any tax, assessment, rent, insurance premium, escrow or escrow deficiency on or before its due date; or
- H. A material adverse change in Owner's business, including ownership, management, and financial conditions, which in Bank's opinion, impairs the Collateral or repayment of the Obligations; or
- I. A transfer of a substantial part of Owner's money or property.

10. **REMEDIES ON DEFAULT.** At the option of Bank, all or any part of the principal of, and accrued interest on, the Obligations shall become immediately due and payable without notice or demand, upon the occurrence of an Event of Default or at any time thereafter. In addition, upon the occurrence of an Event of Default or at any time thereafter by Mortgagor under the Mortgage, Bank, at Bank's option, shall have the right to exercise any or all of the following remedies:

- A. To continue to collect directly and retain Rent in Bank's name without taking possession of the Property and to demand, collect, receive, and sue for the Rent, giving proper receipts and releases, and, after deducting all reasonable expenses of collection, apply the balance as legally permitted to the Note, first to accrued interest and then to principal.
- B. To recover reasonable attorneys' fees to the extent not prohibited by law.
- C. To declare the Obligations immediately due and payable, and, at Bank's option, exercise any of the remedies provided by law, the Note, the Mortgage or this Agreement.
- D. To enter upon, take possession of, manage and operate all or any part of the Property, make, modify, enforce or cancel any Leases, evict any Lessee, increase or reduce Rent, decorate, clean and make repairs, and do any act or incur any cost Bank shall deem proper to protect the Property as fully as Owner could do, and to apply any funds collected from the operation of the Property in such order as Bank may deem proper, including, but not limited to, payment of the following: operating expenses, management, brokerage, attorneys' and accountants' fees, the Obligations, and toward the maintenance of reserves for repair or replacement. Bank may take such action without regard to the adequacy of the security, with or without any action or proceeding, through any person or agent, mortgagee under a mortgage, or receiver to be appointed by a court, and irrespective of Owner's possession.

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The collection and application of the Rent or the entry upon and taking possession of the Property as set out in this section shall not cure or waive any default, or modify or waive any notice of default under the Note, Mortgage or this Agreement, or invalidate any act done pursuant to such notice. The enforcement of such remedy by Bank, once exercised, shall continue for so long as Bank shall elect, notwithstanding that such collection and application of Rent may have cured the original default. If Bank shall thereafter elect to discontinue the exercise of any such remedy, the same or any other remedy under the law, the Note, Mortgage or this Agreement may be asserted at any time and from time to time following any subsequent default. The word "default" has the same meaning as contained within the Note or any other instrument evidencing the Obligations, and the Mortgage, or any other document securing, guarantying or otherwise relating to the Obligations.

In addition, upon the occurrence of any Event of Default, Bank shall be entitled to all of the remedies provided by law, the Note and any related loan documents. Bank is entitled to all rights and remedies provided at law or equity whether or not expressly stated in this Agreement. By choosing any remedy, Bank does not waive its right to an immediate use of any other remedy if the event of default continues or occurs again.

11. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.

A. As used in this paragraph:

- (1) "Environmental Law" means, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA", 42 U.S.C. 9601 et seq.), all federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a Hazardous Substance (as defined herein).
- (2) "Hazardous Substance" means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or the environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

B. Owner represents, warrants and agrees that, except as previously disclosed and acknowledged in writing:

- (1) No Hazardous Substance has been, is or will be located, transported, manufactured, treated, refined, or handled by any person on, under or about the Property except in the ordinary course of business and in strict compliance with all applicable Environmental Law.
- (2) Owner has not and shall not cause, contribute to or permit the release of any Hazardous Substance on the Property.
- (3) Owner shall immediately notify Bank if: (a) a release or threatened release of Hazardous Substance occurs on, under or about the Property or migrates or threatens to migrate from nearby property; or (b) there is a violation of any Environmental Law concerning the Property. In such an event, Owner shall take all necessary remedial action in accordance with any Environmental Law.
- (4) Owner has no knowledge of or reason to believe there is any pending or threatened investigation, claim, or proceeding of any kind relating to (a) any Hazardous Substance located on, under or about the Property or (b) any violation by Owner or any tenant of any Environmental Law. Owner shall immediately notify Bank in writing as soon as Owner has reason to believe there is any such pending or threatened investigation, claim, or proceeding. In such an event, Bank has the right, but not the obligation, to participate in any such proceeding including the right to receive copies of any documents relating to such proceedings.
- (5) Owner and every tenant have been, are and shall remain in full compliance with any applicable Environmental Law.
- (6) There are no underground storage tanks, private dumps or open wells located on or under the Property and no such tank, dump or well shall be added unless Bank first agrees in writing.
- (7) Owner will regularly inspect the Property, monitor the activities and operations on the

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Property, and confirm that all permits, licenses or approvals required by any applicable Environmental Law are obtained and complied with.

(8) Owner will permit, or cause any tenant to permit, Bank or Bank's agent to enter and inspect the Property and review all records at any reasonable time to determine: (a) the existence, location and nature of any Hazardous Substance on, under or about the Property; (b) the existence, location, nature, and magnitude of any Hazardous Substance that has been released on, under or about the Property; (c) whether or not Owner and any tenant are in compliance with any applicable Environmental Law.

(9) Upon Bank's request, Owner agrees, at Owner's expense, to engage a qualified environmental engineer to prepare an environmental audit of the Property and to submit the results of such audit to Bank. The choice of the environmental engineer who will perform such audit is subject to the approval of Bank.

(10) Bank has the right, but not the obligation, to perform any of Owner's obligations under this paragraph at Owner's expense.

(11) As a consequence of any breach of any representation, warranty or promise made in this paragraph, (a) Owner will indemnify and hold Bank and Bank's successors or assigns harmless from and against all losses, claims, demands, liabilities, damages, cleanup, response and remediation costs, penalties and expenses, including without limitation all costs of litigation and reasonable attorneys' fees, which Bank and Bank's successors or assigns may sustain; and (b) at Bank's discretion, Bank may release this Agreement and in return Owner will provide Bank with collateral of at least equal value to the Property secured by this Agreement without prejudice to any of Bank's rights under this Agreement.

(12) Notwithstanding any of the language contained in this Agreement to the contrary, the terms of this paragraph shall survive any foreclosure or satisfaction of any deed of trust, mortgage or any obligation regardless of any passage of title to Bank or any disposition by Bank of any or all of the Property. Any claims and defenses to the contrary are hereby waived.

12. **ADDITIONAL POWERS OF BANK.** In addition to all other powers granted by this Agreement and the Mortgage, Bank also has the rights and powers, pursuant to the provisions of the Illinois Code of Civil Procedure, Section 15-1101, et seq.

13. **TERM.** This Agreement shall remain in effect until the Obligations are fully and finally paid. Upon payment in full of all such indebtedness, Bank shall execute a release of this Agreement upon Owner's request.

14. **GENERAL PROVISIONS.**

A. **TIME IS OF THE ESSENCE.** Time is of the essence in Owner's performance of all duties and obligations imposed by this Agreement.

B. **NO WAIVER BY BANK.** Bank's course of dealing, or Bank's forbearance from, or delay in, the exercise of any of Bank's rights, remedies, privileges or right to insist upon Owner's strict performance of any provisions contained in this Agreement, or other loan documents, shall not be construed as a waiver by Bank, unless any such waiver is in writing and is signed by Bank.

C. **AMENDMENT.** The provisions contained in this Agreement may not be amended, except through a written amendment which is signed by Owner and Bank.

D. **INTEGRATION CLAUSE.** This written Agreement and all documents executed concurrently herewith, represent the entire understanding between the parties as to the Obligations and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties.

E. **FURTHER ASSURANCES.** Owner, upon request of Bank, agrees to execute, acknowledge, deliver and record or file such further instruments or documents as may be required by Bank to secure the Note or confirm any lien.

F. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of ILLINOIS, provided that such laws are not otherwise preempted by federal laws and regulations.

G. **FORUM AND VENUE.** In the event of litigation pertaining to this Agreement, the exclusive forum,

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- venue and place of jurisdiction shall be in the State of ILLINOIS, unless otherwise designated in writing by Bank or otherwise required by law.
- H. SUCCESSORS. This Agreement shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties, provided however, that Owner may not assign, transfer or delegate any of the rights or obligations under this Agreement.
- I. NUMBER AND GENDER. Whenever used, the singular shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.
- J. DEFINITIONS. The terms used in this Agreement, if not defined herein, shall have their meanings as defined in the other documents executed contemporaneously, or in conjunction, with this Agreement.
- K. PARAGRAPH HEADINGS. The headings at the beginning of any paragraph, or any subparagraph, in this Agreement are for convenience only and shall not be dispositive in interpreting or construing this Agreement.
- L. IF HELD UNENFORCEABLE. If any provision of this Agreement shall be held unenforceable or void, then such provision to the extent not otherwise limited by law shall be severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions nor the validity of this Agreement.
- M. NO ACTION BY BANK. Nothing contained herein shall require the Bank to take any action.

OWNER/BORROWER

Richard Carioti

 RICHARD CARIOTI
 Individually

Lynn Carioti

 LYNN CARIOTI
 Individually

STATE OF Illinois SS:

COUNTY OF Cook

On this 1 day of MAY, 1995, I, MARY ROCIOLA, a notary public, certify that RICHARD CARIOTI, husband of Lynn Carioti, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that (he/she) signed and delivered the instrument as (his/her) free and voluntary act, for the uses and purposes set forth.

My commission expires: 12/14/96

"OFFICIAL SEAL"
 MARY ROCIOLA
 NOTARY PUBLIC, STATE OF ILLINOIS
 My Commission Expires 12/14/96

Mary Rociole

 NOTARY PUBLIC

STATE OF Illinois SS:

COUNTY OF Cook

On this 1 day of MAY, 1995, I, MARY ROCIOLA, a notary public, certify that LYNN CARIOTI, wife of Richard Carioti, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that (he/she) signed and delivered the instrument as (his/her) free and voluntary act, for the uses and purposes set forth.

My commission expires: 12/14/96

"OFFICIAL SEAL"
 MARY ROCIOLA
 NOTARY PUBLIC, STATE OF ILLINOIS
 My Commission Expires 12/14/96

Mary Rociole

 NOTARY PUBLIC

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THIS IS THE LAST PAGE OF A 8 PAGE DOCUMENT. EXHIBITS AND/OR ADDENDA MAY FOLLOW.

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