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RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

96600944

Gene Cruden, Esq.
Law, Cogburn & Friedman, P.C.
One Greenway Plaza
Suite 2300
Houston, Texas 77046

DEPT-01 RECORDING \$37.00
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COOK COUNTY RECORDER

ABSOLUTE ASSIGNMENT OF LEASES AND RENTS (Beneficiary)

This Assignment of Leases and Rents is made as of the 27 day of July, 1996, from SCHAUMBURG COURT LIMITED PARTNERSHIP, an Illinois limited partnership, whose general partners are (i) ILAP, L.L.C., an Illinois limited liability company, and (ii) JAS of Illinois, Inc., an Illinois corporation ("Assignor"), to MERIT LIFE INSURANCE COMPANY, a Indiana corporation ("Assignee").

In consideration of the sum of Ten Dollars (\$10.00) in hand paid by Assignee to Assignor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby grants, bargains, sells, assigns and absolutely transfers to Assignee all rent, issues, profits, royalties, leases, income and other benefits derived from that certain real property described in *Exhibit "A"* attached hereto and by this reference incorporated herein (the "Premises") with respect to all leases and subleases of the Premises or any portion thereof now or hereafter existing or entered into together with all guarantees, modifications, extensions and renewals thereof (the "Rents"). This absolute assignment of the Rents is not intended to constitute payment to Assignee, unless Assignee terminates Assignor's license to collect the Rents, and then only to the extent that the Rents are actually received by Assignee (as opposed to constituting a portion of the voluntary payments of principal and/or interest on any indebtedness from Assignor, as maker, and payable to the order of Assignee, as payee) and are not used for the operation or maintenance of the Premises or for the payment of costs and expenses in connection therewith, taxes, assessments, water charges, sewer, rents and other charges levied, assessed or imposed against the Premises or any part thereof, insurance premiums, costs and expenses with respect to any litigation affecting the Premises, the leases and the Rents, any wages and salaries of employees, commissions of agents and attorney's fees.

In connection with and as part of this absolute assignment, Assignor hereby makes the following grants, covenants, agreements, representations and warranties:

1. After the occurrence of an event of default, as defined in any note, mortgage, security agreement, financing statement, fixture filing or other loan

BOX 333-CTI

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document given by Assignor to Assignee in connection with any indebtedness or obligation of Assignor to Assignee, Assignee shall have the absolute right, power and authority to take any and all actions which Assignee deems necessary or appropriate in connection with (a) entering upon, taking possession of and operating the Premises; (b) leasing all or any part of the Premises; and (c) collecting all or any of the Rents and enforcing the rights of the lessor under any of the leases, including without limitation, filing, defending or settling legal proceedings against tenants. Notwithstanding anything herein to the contrary, Assignee shall not be obligated to perform or discharge, and Assignee does not undertake to perform or discharge any obligation, duty or liability with respect to the leases or the Rents under or by reason of this absolute assignment. This absolute assignment shall not operate to place responsibility for the control, care, maintenance or repair of the Premises upon Assignee, or to make Assignee responsible or liable for any waste committed on the Premises by any tenant 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.

2. After the occurrence of any event of default under the loan documents, Assignee shall have the right, power and authority to use and apply any Rents received hereunder, (a) for the payment of any and all costs and expenses incurred in connection with enforcing or defending the terms of this assignment or the rights of Assignee hereunder, and collecting any Rents; and (b) for the payment of any indebtedness owing by Assignor to Assignee. Assignee shall have the right, but not the obligation, to use and apply any Rents received hereunder for the operation and maintenance of the Premises and the payment of all costs and expenses in connection therewith, taxes, assessments, water charges, sewer rents and other charges levied, assessed or imposed against the Premises or any part thereof, insurance premiums, costs and expenses with respect to any litigation effecting the Premises, the leases and the rent, and wages and salaries of employees, commissions of agents and attorneys' fees. The exercise or non-exercise by Assignee of the rights granted under this absolute assignment or the collection and application of Rents by Assignee shall not be a waiver of any default by Assignor under any note, mortgage, security agreement, financing statement or fixture filing or other documents relating to any indebtedness by Assignor to Assignee (the "loan documents"). Subject only to the provisions of paragraph 7 hereof, no action or failure to act by Assignee with respect to any of the obligations of Assignor evidenced by the loan documents or any security or guarantee given for the payment or performance thereof, or to any other document or instrument evidencing or relating to such obligation shall in any manner affect, impair or prejudice any of Assignee's rights and privileges under this absolute assignment or discharge, release or modify any of Assignor's duties or obligations hereunder. Assignee need not take possession of the Premises in order for this absolute assignment to be effective or to enable the Assignee to enforce the terms and provisions hereof. This instrument is agreed and understood to constitute an absolute assignment of rents; and Assignee's status and rights as the assignee under this

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absolute assignment shall not be negated, diminished or adversely affected in any manner whatsoever by reason of the fact, for example, that Assignor is permitted to and/or actually does collect Rents (which have been assigned under this instrument to Assignee) and may commingle the Rents (which have been assigned under this instrument to Assignee) and may commingle the Rents with Assignor's other funds or other property and notwithstanding also, by way of further example, that the rights of Assignee under this instrument and/or the exercise of the rights of Assignee under this instrument may constitute some nature of interference with Assignor's possession of the property or serve to restrict or prohibit Assignor from applying such Rents to Assignor's business or other purposes or obligations.

3. Assignor and Assignee are each represented by competent counsel and are aware of the legal effects of this absolute assignment. This Absolute Assignment of Leases and Rents is intended by Assignor and Assignee to create, and shall be construed to create, an absolute assignment to Assignee and not an assignment as security for the performance of the obligations evidenced by the loan documents or any other indebtedness of Assignor within the meaning of the holdings of Kinnison v. Guaranty Liquidating Corp., 18 Cal. 2d 256, 115 P.2d 450 (1941); In re Ventura-Louise Properties, 490 F.2d 1141 (9th Cir. 1971); In re Village Properties, Ltd., 723 F.2d 441 (5th Cir. 1984); and In re Fry Road Associates, Ltd., 64 B.R. 808 (B.Ct. W.D. Tex 1986). It is further the intent of Assignor and Assignee hereunder that the Rents hereby absolutely assigned are no longer, during the term of this absolute assignment, property of Assignor or property of any estate of Assignor as defined by 11 U.S.C. paragraph 541, and shall not constitute collateral, cash or otherwise, of Assignor. The term Rents as used herein shall mean all Rents without deduction or offset of any kind.

4. Assignor shall retain a revocable license to collect and receive the Rents as the agent of Assignee and to retain, use and enjoy the Rents provided that such revocable license shall ipso facto terminate without further action by Assignee and without notice to Assignor upon the occurrence of an event of default as defined in any note, mortgage, security agreement, financing statement, fixture filing or other loan documents given to Assignee by Assignor in connection with any indebtedness or obligation of Assignor to Assignee. Unless and until such license is so revoked, Assignor agrees to apply the Rents to the payment of taxes, assessments, water rates, sewer rents and to operation and maintenance charges relating to the Premises which are due and payable at the time of collection of such Rents and then to the payment of obligations owing to Assignee before retaining the Rents or distributing them or using such Rents for any other purpose. Assignor shall (a) observe and perform faithfully every material obligation which Assignor is required to perform under the leases; (b) enforce or secure the performance of, at its sole cost and expenses, every obligation to be performed by the landlord under the leases; (c) upon request by Assignee promptly give notice to Assignee of any notice of default received by Assignor from any lessee under the leases, together with a copy of such notice; (d) not

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collect any Rents more than one (1) month in advance of the time when the same shall be due, or anticipate any payments under any of the leases, except for bona fide security deposits not in excess of an amount equal to two (2) months Rents; (e) not purport or attempt to further assign any of the leases or the Rents; (f) except with Assignee's prior written consent, not waive, condone, or in any manner discharge any tenants from their obligations under the leases; (g) except with Assignee's prior written consent, not cancel, abridge or accept surrender or termination of any of the leases, until Assignor shall have entered into a lease for the space to be vacated as a result thereof upon terms (including, without limitation, rentals, and term) at least as favorable to Assignor, commencing within thirty (30) days after such cancellation, abridgement, surrender or termination; (h) except with Assignee's prior written consent, not modify or amend, by sufferance or otherwise, any of the leases or any of the terms, provisions or covenants thereof; (i) comply with all laws, rules, orders, ordinances and requirements of all governmental authorities relating to the Premises; (j) at the request of Assignee, deliver copies of leases to Assignee; and (k) appear in and defend against, at Assignor's sole cost and expense, any action or proceeding arising under, and in any manner connected with the leases, the Rents or the obligations, duties or liabilities of the lessor, tenants or guarantors thereunder. All security deposits shall be held by Assignor in accordance with applicable law.

5. This absolute assignment shall continue in full force and effect until (a) all sums due and payable under the loan documents shall have been fully paid and satisfied, together with any and all other sums which may become due and owing under this absolute assignment and (b) all other obligations of Assignor under the loan documents have been satisfied.

6. Assignor hereby irrevocably constitutes and appoints Assignee as its true and lawful attorney in fact, as the agent for and on behalf of Assignor to collect and receive the Rents and to retain, use and enjoy the Rents in the manner and priority set forth above. Assignor hereby irrevocably constitutes and appoints Assignee its true and lawful attorney in fact to undertake and execute any and all of the rights or powers described herein with the same force and effect as if undertaken or executed by Assignor, and Assignor hereby ratifies and confirms any and all things done or omitted to be done by Assignee, its agents, servants, employees or attorneys in, to or about the Premises.

7. Assignee shall not in any way be liable to Assignor for any act done or anything omitted to be done to the Premises, the leases or the Rents by or on behalf of Assignee in good faith in connection with the absolute assignment except for Assignee's gross negligence. Assignee shall not be liable for any act of omission of its agents, servants, employees or attorneys. Assignee shall be accountable to Assignor only for monies actually received by Assignee pursuant to this absolute assignment.

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8. Assignor shall indemnify and hold Assignee harmless from and against any and all liability, loss, damage, cost or expense including attorneys' fees, which it may incur under any of the leases, or with respect to the absolute assignment or any action or failure to act of Assignee hereunder and from and against 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 of the terms, covenants and conditions of any of the leases or with respect to any Rents irrespective of whether the Indebtedness [as defined in the Mortgage and Security Agreement ["Mortgage"] of even date herewith (which in turn is defined in the note)] has been paid or the Mortgage has been released, irrespective of whether Assignee has committed negligence. It is specifically intended by Assignor and Assignee that all indemnity obligations and liabilities assumed by Assignor hereunder be without limit and without regard to the cause or causes thereof (including preexisting conditions), strict liability, or the negligence of any party or parties (including Assignee), whether such negligence be sole, joint or concurrent, active or passive. The parties specifically intend that, pursuant to this Paragraph 8, Assignee is to be indemnified against Assignee's own negligence but not Assignee's gross negligence. The foregoing indemnity applies, without limitation, to any Legal Requirement (as defined in the Mortgage) pertaining to health or the environment, regardless of whether the act, omission, event or circumstance constituted a violation of such Legal Requirement at the time of its existence or occurrence, including, without limitation, any violation of CERCLA (as defined in the Mortgage) or RCRA (as defined in the Mortgage). In the event that Assignee incurs any such liability, loss, damage, cost or expense, the amount thereof, together with interest thereon from the date such amount was suffered or incurred by Assignee until the same is paid by Assignor to Assignee at the maximum rate permitted by applicable law, shall be payable by Assignor to Assignee immediately upon demand, or at the option of Assignee, Assignee may reimburse itself therefor out of any Rents collected by Assignee.

9. Upon request of Assignee, Assignor shall execute and deliver to Assignee such further instruments as Assignee may deem necessary or convenient to effect this absolute assignment and the covenants of Assignor contained herein. Assignor shall cause such further instruments to be recorded in such manner and in such places as may be required by Assignee.

10. All of the representations, warranties, covenants, agreements and provisions of this absolute assignment by or for the benefit of Assignee shall bind and inure to the benefit of its successors and assigns.

11. This absolute assignment may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

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12. This absolute assignment shall be governed by, construed and enforced in accordance with the laws of the State of Illinois.

IN WITNESS WHEREOF, Assignor has caused this agreement to be duly executed and delivered on the date first above written.

ADDRESS OF ASSIGNOR:

c/o Mid-Northern Equities Management, Ltd.
828 Nerge
Roselle, Illinois 60172

ASSIGNOR:

SCHAUMBURG COURT LIMITED PARTNERSHIP, an Illinois limited partnership, by its undersigned General Partner

BY: JAS of Illinois, Inc., an Illinois corporation

By: [Signature]
Name: Willis Justice
Title: partner

(SEAL)

Attest:

[Signature]
Name: Ray J. Guss
Title: Notary

SIGNATURE PAGE TO
ABSOLUTE ASSIGNMENT OF LEASES AND RENTS
DATED JULY 31, 1996, EXECUTED BY
SCHAUMBURG COURT LIMITED PARTNERSHIP TO
MERIT LIFE INSURANCE COMPANY

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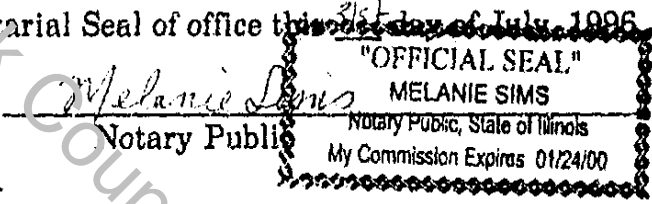
STATE OF ILLINOIS §

COUNTY OF _____ §

I, Melanie Sims, a Notary Public in and for said County in the state aforesaid, DO HEREBY CERTIFY THAT William D. Thru and Ray S. Conji, President and Asst. Secretary of JAS of Illinois, Inc., an Illinois corporation, a general partner of SCHAUMBURG COURT LIMITED PARTNERSHIP, an Illinois limited partnership, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Asst. President and Asst. Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act, and as the free and voluntary act of said corporation, and that the facts therein are true, for the uses and purposes therein set forth; and ~~said _____ did also then and there acknowledge that _____ as custodian of the Corporate Seal of said corporation, did affix said corporate seal of said corporation to said instrument as _____ 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 of office this 21st day of July, 1996.

(SEAL)
My Commission Expires: _____



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EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1:

LOTS 2, 3, 4 AND 5 IN SCHAUMBURG COURT SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, PER DOCUMENT 95367781, MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

THAT PART OF THE NORTHEAST QUARTER OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED BY BEGINNING AT THE INTERSECTION OF THE WEST LINE OF BARRINGTON ROAD ACCORDING TO THE PLAT OF DEDICATION RECORDED APRIL 4, 1990 AS DOCUMENT 90150222, SAID WEST LINE OF BARRINGTON ROAD BEING A LINE 50.0 FEET, AS MEASURED AT RIGHT ANGLES, WEST OF AND PARALLEL WITH THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 24, WITH THE SOUTH LINE OF HOLMES WAY ACCORDING TO THE PLAT OF DEDICATION RECORDED APRIL 4, 1990 AS DOCUMENT 90150222; THENCE SOUTH $00^{\circ}10'51''$ EAST A DISTANCE OF 1042.34 FEET; THENCE SOUTH $89^{\circ}49'09''$ WEST A DISTANCE OF 10.0 FEET; THENCE SOUTH $00^{\circ}10'51''$ EAST A DISTANCE OF 210.60 FEET; THENCE SOUTH $43^{\circ}08'59''$ WEST A DISTANCE OF 14.52 FEET TO THE NORTHERLY LINE OF 100 FOOT WIDE SCHAUMBURG ROAD AS RELOCATED; THENCE SOUTH $86^{\circ}28'50''$ WEST ALONG SAID NORTHERLY LINE OF SCHAUMBURG ROAD A DISTANCE OF 180.06 FEET TO A POINT OF CURVATURE; THENCE NORTHWESTERLY ALONG A CURVED LINE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 768.51 FEET AN ARC DISTANCE OF 313.20 FEET (THE CHORD OF SAID ARC BEARS NORTH $41^{\circ}50'40''$ WEST, 311.04 FEET); THENCE NORTH $09^{\circ}17'04''$ WEST A DISTANCE OF 76.26 FEET; THENCE NORTH $67^{\circ}16'34''$ EAST A DISTANCE OF 167.43 FEET; THENCE NORTH $40^{\circ}00'17''$ EAST A DISTANCE OF 562.16 FEET; THENCE NORTH $50^{\circ}00'00''$ WEST A DISTANCE OF 459.00 FEET; THENCE SOUTH $40^{\circ}00'00''$ WEST A DISTANCE OF 126.22 FEET; THENCE NORTH $50^{\circ}00'00''$ WEST A DISTANCE OF 295.52 FEET; THENCE NORTH $40^{\circ}00'00''$ EAST A DISTANCE OF 295.19 FEET TO SAID SOUTH LINE OF HOLMES WAY; THENCE NORTH $82^{\circ}19'00''$ EAST A DISTANCE OF 310.39 FEET TO A POINT OF CURVATURE IN SAID SOUTH LINE OF HOLMES WAY; THENCE NORTHEASTERLY ALONG A CURVE CONCAVE TO THE SOUTHEAST HAVING A RADIUS OF 470.0 FEET AN ARC DISTANCE OF 61.54 FEET (THE CHORD OF SAID ARC BEARS NORTH $86^{\circ}04'04''$ EAST, 61.50 FEET) TO A POINT OF TANGENCY; THENCE NORTH $89^{\circ}49'09''$ EAST A DISTANCE OF 100.0 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

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PARCEL 2:

PERPETUAL ACCESS EASEMENT FOR THE BENEFIT OF PARCEL 1 AND RIGHT TO USE THE COMMON CURB CUTS, ROADWAYS, DRIVEWAYS, AISLES, WALKWAYS AND SIDEWALKS LOCATED ON THE LAND AND OTHER PROPERTY, AS CREATED BY RECIPROCAL EASEMENT AND OPERATION AGREEMENT RECORDED OCTOBER 26, 1994 AS DOCUMENT 94914726, OVER THE AREA SHOWN ON THE SITE PLAN ATTACHED THERETO, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

PERPETUAL NON-EXCLUSIVE EASEMENT IN FAVOR OF PARCEL 1 AND RIGHT TO USE OF THE PARKING AREAS, AS CREATED BY RECIPROCAL EASEMENT AND OPERATION AGREEMENT RECORDED OCTOBER 26, 1994 AS DOCUMENT 94914726, OVER AND AREA SHOWN ON THE SITE PLAN ATTACHED THERETO, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

PERPETUAL UTILITY EASEMENT FOR THE BENEFIT OF PARCEL 1 IN, TO, OVER, UNDER AND ACROSS THE COMMON AREAS OF THE LAND AND OTHER PROPERTY FOR PURPOSES OF INSTALLING, OPERATING, MAINTAINING, REPAIRING, REPLACING, REMOVING AND RELOCATING OF UNDERGROUND STORM SEWER LINES, SANITARY SEWER PIPES, SEPTIC SYSTEMS, WATER AND GAS MAINS, ELECTRIC POWER LINES, TELEPHONE LINES AND OTHER UNDERGROUND UTILITY LINES, AS CREATED BY RECIPROCAL EASEMENT AND OPERATION AGREEMENT RECORDED OCTOBER 26, 1994 AS DOCUMENT 94914726, OVER THE AREA SHOWN ON THE SITE PLAN ATTACHED THERETO, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

PERPETUAL EASEMENT FOR THE BENEFIT OF PARCEL 1 TO CONSTRUCT, USE AND MAINTAIN A PYLON SIGN STRUCTURE AND SIGN PANEL, AS CREATED BY RECIPROCAL EASEMENT AND OPERATION AGREEMENT RECORDED OCTOBER 26, 1994 AS DOCUMENT 94914726, OVER THE AREA SHOWN ON THE SITE PLAN ATTACHED THERETO, IN COOK COUNTY, ILLINOIS.

PARCEL 6:

TEMPORARY CONSTRUCTION EASEMENT FOR THE BENEFIT OF PARCEL 1, IN CONNECTION WITH ANY CONSTRUCTION WORK DONE ON THE LAND AND OTHER PROPERTY, AS CREATED BY RECIPROCAL EASEMENT AND OPERATION AGREEMENT RECORDED OCTOBER 26, 1994 AS DOCUMENT 94914726, OVER THE AREA SHOWN ON THE SITE PLAN ATTACHED THERETO, IN COOK COUNTY, ILLINOIS.

0624 201038
105 N. Kensington Rd.
Schauenburg

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