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COOK COUNTY RECORDER

ASSIGNMENT OF LEASES AND RENTS

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THIS ASSIGNMENT OF LEASES AND RENTS dated as of August 8, 1996, is made and executed by JOSE

A. DESARDEN and ROSAURA LUGO in favor of PIONEER BANK & TRUST COMPANY, 4000 West North Avenue, Chicago, Illinois 60619.

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Definitions

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- A. "Assignee" shall mean Pioneer Bank and Trust Company.
- B. "Assignment" shall mean this Assignment of Leases and Rents.
- C. "Assignor" shall mean Jose A. Desarden and Rosaura Lugo.
- D. "Assignor's Liabilities" shall mean the indebtedness of the liabilities of Jose A. Desarden and Rosaura Lugo pursuant to the Note or other Loan Instruments and the obligation and liabilities of Jose A. Desarden and Rosaura Lugo, pursuant to the Guaranties, to the Assignee of every kind, nature and description, whether direct or indirect, absolute or contingent, now or hereafter owing, together with the performance and observance of all covenants and obligations made by the Assignor in favor of the Assignee.
- E. "Collateral" shall mean collectively the Leases, Rents, Rights and Guaranties.
- F. "Default Rate" shall mean per annum rate of interest charged upon the unpaid principal balance of the Note following a default thereunder and while the same shall be continuing.
- G. "Event of Default" shall mean any one or more of the following events:
 - 1. Assignor's failure to pay when due any payment of principal or interest under the Note, whether at maturity or otherwise, or
 - 2. Assignor's failure to keep, perform or observe any other covenant, condition or agreement contained or expressed herein; or

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3. The occurrence of any default under any of the other Loan Instruments, if the same is not cured within any cure, grace or other period provided for in such Loan Instrument.
- H. "Guaranty" shall mean the Guaranties of even date herewith executed by Jose A. Desarden and Rosaura Lugo and any and all agreements executed in Assignor's favor guaranteeing, insuring or otherwise securing the obligations of any Lessee under any of the Leases, together with all rights, powers, privileges and other benefits of the Assignor thereunder.
- I. "Leases" shall mean all oral and written leases with or without other agreements for the use and occupancy made by any person or entity for the use, occupancy or enjoyment of the Mortgage Property or the avails thereof, including all renewals, extensions, amendments, modifications and replacements thereof, whether now existing or hereafter arising.
- J. "Loan" shall mean that certain extension of credit by the Assignee to the Assignor and guaranteed by Jose A. Desarden and Rosaura Lugo, in an original principal amount of Fifty Thousand and 00/100 Dollars (\$50,000.00) all as evidenced by the Loan Instruments.
- K. "Loan Instruments" shall mean this Assignment, the Note, the Mortgage, any and all other agreements or understandings given to secure the payment of the indebtedness evidenced by the Note or in connection with the Loan and all renewals, extensions, amendments, modifications and replacements thereof.
- L. "Mortgage" shall mean that certain Real Estate Mortgage of even date herewith securing the indebtedness evidenced by the Note, executed by the Assignor and pertaining to the Mortgaged Property.
- M. "Mortgage Property" shall mean the real property described in Exhibit "A" hereto and all improvements thereon and appurtenances thereto.
- N. "Note" shall mean that certain Secured Promissory Note of even date herewith evidencing the Loan executed by the Assignor and delivered to the Assignee.
- O. "Rents" shall mean all sums which are due or may hereafter become due, whether pursuant to any of the Leases or otherwise from any Lessee, user or occupant of the Mortgaged Property to the Assignor, including, without limitation security deposits, insurance or condemnation proceeds or awards, damages or other sums.
- P. "Rights" shall mean all rights, powers, privileges, options and other benefits of the Assignor under the Leases, including but not limited to:
1. The immediate and continuing right to receive and collect all rents, income, revenues, issues, profits insurance proceeds, condemnation awards, monies and security deposits or the like;
 2. The right to make all waivers and agreements, including any waivers pertaining to the obligations of lessees;
 3. The right to give all notices, permissions, consents and releases, including consents to any instruments which subordinates or makes paramount the interest of a lessee to the Mortgage;
 4. The right to take such action upon the happening of a default under any of the Leases (including commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
 5. The right to do any and all other things whatsoever which Assignor is or may become entitled to do under the Leases including, without limitation, the right to cancel or alter Leases;

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6. The right to exercise any option required or permitted under any of the Leases;
7. The right to execute new leases of the Mortgaged Property; and

Granting Clauses

In consideration of the Loan to secure the payment of the indebtedness evidenced by the Note, to secure the payment of all amounts due under and the performance and observance of all covenant, conditions and obligations contained in the Loan Instruments and to secure Assignor's payment of all other Loan Instruments, Assignor hereby assigns to Assignee, all of the right, title and interest of Assignor in:

- a. the Leases;
- b. the Rents;
- c. the Right; and
- d. the Guarantees;

and Assignor authorizes Assignee:

- a. to manage the Mortgaged Property and take possession of the books and records relating thereto;
- b. to prosecute or defend any suits in connection with the Mortgaged Property or enforce or take any other action in connection with the Leases in the name of Assignee;
- c. to make such repairs to the Mortgaged Property as Assignee may deem advisable; and
- d. to do any and all other things with respect to the Mortgaged Property and the Collateral which an absolute owner or landlord has the right to do.

Covenants and Warranties

- A. Notwithstanding that this Assignment constitutes a present assignment of leases and rents, Assignor may collect the Rents and, subject to the terms and provisions of the Loan Documents, manage the Mortgaged Property in the same manner as if this Assignment had not been given, only if and so long as an Event of Default has not occurred. If an Event of Default occurs, the right of Assignor to collect the Rents and to manage the Mortgaged Property shall terminate upon ten (10) days prior written notice of such default given by Assignee to Assignor and such right together with the other rights, powers and authorizations contained herein shall belong exclusively to Assignee.
- B. This Assignment confers upon Assignee a power coupled with an interest and cannot be revoked by Assignor.
- C. The Assignor represents and warrants as follows:
 1. Assignor is the sole owner of the lessor's entire interest in the Leases and the other Collateral has full right to assign the Collateral;
 2. There has been no previous assignment and, without Assignee's prior written consent, Assignor will permit no future assignment (as collateral or otherwise) of the lessor's right, title or interest in any of the Leases or other Collateral;
 3. The Leases are valid and enforceable in accordance with their terms and have not been altered, modified or amended in any manner whatsoever;

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4. The lessees are not in default under the Leases and have no defenses, set-offs or counterclaims against the lessor under the Leases and have not been granted any waiver, release, reduction, discount, discharge, compromise or other concession by the lessor;

5. Assignor shall not permit or suffer to occur any default in the performance of any of its obligations under the Leases, nor shall it permit or suffer any waiver of any of its rights or remedies pursuant to the Leases;

6. No rent reserved in the Leases has been assigned; and

7. No rent for any period subsequent to the date hereof has been collected more than thirty (30) days in advance of the time when said Rent becomes or would become due under the terms of the Leases.

D. Assignor covenants that:

1. It will deliver to Assignee reports of the rental income and expenses of the Mortgaged Property in such reasonable detail and at such times as Assignee may require verified by the responsible operating official of the Mortgaged Property;

2. It will not materially modify, change, alter, supplement, amend, cancel, surrender or accept surrender of any of the Leases without the Assignee's consent;

3. It will not consent to the assignment or subletting of the lessee's interest under any of the Leases without the Assignee's consent;

4. It will not accept Rent more than thirty (30) days in advance under any of the Leases; and

5. It will not assert any right of setoff or other claim or take any action against any lessee under any of the Leases, or otherwise seek recovery, damages or other relief against any such lessee, which would have the effect of relieving such lessee from any obligation or liability or which would effect, impair or discharge any right of Assignee and, if Assignor shall recover any such sums from such lessee, Assignor will forthwith pay over the same to Assignee for application to the indebtedness secured hereby. Assignor further covenants that if any Lease provides for the abatement of rent during repair of the premises demised thereunder by reason of fire or other casualty, Assignor shall furnish to Assignee rental insurance in an amount and form and written by insurance companies as shall be satisfactory to Assignee.

E. Assignor shall execute and deliver, at the written request of Assignee, all such further assurances and assignments as Assignee from time to time shall determine are necessary to effectuate the terms and provisions of this Assignment.

F. Assignee shall be deemed to be the creditor of each lessee under the Leases in any assignment for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, receivership or probate proceedings affecting such lessee (without any obligation on the part of the Assignee to file claims or otherwise to pursue creditors rights in such proceedings). All Moneys received in connection with any such proceedings or occurrences shall constitute additional Rents hereunder.

Defaults and Remedies

A. If an Event of Default shall occur or be continuing:

1. Assignee may exercise its rights as provided in this Assignment without regard to the adequacy of the security and without waiving any other remedy available to Assignee and without waiving such Event of Default;

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- 2 In the event Assignee elects to invoke any of its rights hereunder or thereafter, for any reason, relinquishes to Assignor such rights, this Assignment shall not be terminated, but shall remain in full force and effect until Borrower's Liabilities are paid in full, it being the intent of the parties that Assignee shall, until release of this Assignment, have all the rights granted hereby and be able to exercise them from time to time if an Event of Default occurs.
- B. No delay or omission on the part of Assignee in the exercise of any remedy for an Event of Default shall operate as a waiver thereof. The remedies available to Assignee under this Assignment shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the other Loan Instruments. Said remedies shall be cumulative and concurrent, may be pursued separately, successively or together against Assignor or the Mortgaged Property at the sole discretion of Assignee and may be exercised as often as occasion therefor shall arise.
- C. Assignee may apply the Rents, in such order as Assignee may determine, to the payment of Assignor's Liabilities and to all expenses for the care and management of the Mortgaged Property, including taxes, insurance, assessments, management fees, usual and customary commissions to real estate brokers for leasing real estate and the reasonable expenses and fees of all attorneys, agents and employee engaged in connection with the exercise rights and powers granted to Assignee hereunder. For purposes of the preceding sentence, attorneys' fees shall be deemed to include compensation and actual overhead of staff counsel, if any, of Assignee in addition to the fees of any other attorneys engaged by Assignee and shall include fees and expenses incurred in connection with the appeal of any matter arising under the Loan Instruments if Assignee is the prevailing party therein.
- D. The receipt by Assignee of any Rents pursuant to this Assignment following an Event of Default and the exercise of any remedies provided for herein or in the other Loan Instruments shall not cure such Event of Default or affect or prejudice the exercise of such remedies.
- E. Assignee's obligations as to any Rents actually collected shall be discharged by application of such Rents to any of the purposes specified in subparagraph C, above. Assignee shall not be liable for uncollected Rents or for failure to collect Rents or for any claim for damages or setoffs arising out of Assignee's management of the Mortgaged Property. Assignee shall not be liable to any lessee for the return of any security deposit made under any Lease unless Assignee shall have received such security deposit from the Assignor or such lessee. Assignee shall not by reason of this Assignment or the exercise of any right granted herein be obligated to perform any obligation of the lessor under any of the Leases, nor shall Assignee be responsible for any act committed by the lessor, or any breach or failure to perform by the lessor with respect to any of the Leases. Nothing contained herein shall be deemed to have the effect of making Assignee a mortgagee in possession of the Mortgaged Property or any part thereof.
- F. Assignor shall reimburse Assignee for and indemnify Assignee against all expenses, losses, damages and liabilities which Assignee may incur by reason of this Assignment or the exercise of any of the rights granted hereunder. Any and all amounts due any payable, shall be added to Assignor's Liabilities, shall bear interest at the Default Rate and shall be secured by this Assignment, and the other Loan Instruments.
- G. Each present and future lessee under any of the Leases is hereby authorized and directed to pay the rent payable thereunder to Assignee upon written demand from Assignee stating that an Event of Default has occurred without inquiry as to whether any such default has occurred or whether Assignee is rightfully entitled to such rent. Following receipt of any such demand, no lessee shall be given credit for any rent paid other than to Assignee thereafter until Assignee instructs such lessee otherwise in writing.

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Miscellaneous

- A. If the time of payment of any indebtedness secured hereby is extended at any time or times, if the Note is renewed, modified or replaced or if any security for the Note is released, Assignor and any other parties now or hereafter liable therefor or interested in the Mortgaged Property shall be deemed to have consented to such extensions, renewals, modifications, replacements and releases, and their liability and the lien hereof and of other Loan Instruments shall not be released and the rights created hereby and thereby shall continue in full force, the right of recourse against all such parties being reserved by Assignee.
- B. Successor and Assigns. This Assignment shall inure to the benefit of Assignee and be binding upon Assignor, the heirs, legal representatives, successors and assigns of Assignor and all persons and entities (including owners and lessees) which may hereafter have any interest in the Mortgaged Property. Whenever Assignor or Assignee is referred to herein, such heirs, legal representatives, successors and assigns thereof shall be included in such reference. Notwithstanding the foregoing, Assignor shall may not assign its rights and obligations hereunder without Assignee's prior written consent.
- C. Notwithstanding the conveyance or transfer of title to any or all of the Mortgaged Property to any lessee under any of the Leases, the lessee's leasehold estate under such Lease shall not merge into the fee estate and the lessee shall remain obligated under such lease as assigned by this Assignment.
- D. All notices, reports, requests, demands or other instruments required or contemplated to be given or furnished under this Assignment to Assignor or Assignee, as the case may be, at the following addresses:

Assignee: Pioneer Bank & Trust Company
4000 West North Avenue
Chicago, Illinois 60639
ATTN: Commercial Real Estate

copy to: Stowick & Stowick
1614 North Pauls Road
Chicago, Illinois 60639

Assignor: Jose A. Desarden and Rosaura Lugo
2561 W. Fullerton
Chicago, Illinois 60639

Notices shall be either:

1. personally delivered to the addresses set forth above, in which case they shall be deemed delivered on the date of such delivery; or
 2. sent by certified mail, return receipt requested, in which case they shall be deemed delivered on the date of delivery set forth in the return receipt, unless delivery is delayed or refused by the addressee, in which event they shall be deemed delivered on the date mailed to such addressee. Any party may change the address to which such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other parties in compliance with the foregoing provisions.
- E. The headings of the various sections, paragraphs and subdivisions of this Assignment are for convenience only, are not to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

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- F. In the event that any of the covenants, agreements, terms or provisions, or the application thereof to any persons, entities or circumstances, contained in the Note, this Assignment or in any other Loan Instrument shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Note or in any other Loan Instrument (or the application of the covenant, agreement, or term held to be invalid, illegal or unenforceable) shall be in no way affected, prejudiced or disturbed thereby.
- G. Neither this Assignment nor any term hereof may be released, changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge or termination is sought. To the extent permitted by law, any agreement hereafter made by the Assignor and Assignee relating to this Assignment shall be superior to the right of the holder of any intervening lien or encumbrance.
- H. This Assignment shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.
- I. This Assignment is given to secure not only existing indebtedness, but also such future advances, whether such advances are obligatory or are to be made at the option of Assignee, or otherwise, as are made by Assignee under the Note, to the same extent as if such future advances were made on the date of the execution of this Assignment.

IN WITNESS WHEREOF, the undersigned has executed this Assignment on the date first above written.

Joe A. Desarden

 JOE A. DESARDEN

Rosaura Lugo

 ROSAURA LUGO

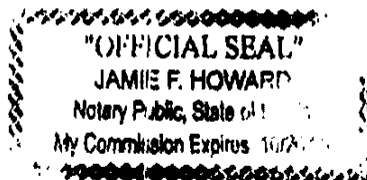
STATE OF ILLINOIS)
) ss
 COUNTY OF COOK)

I, the undersigned a Notary Public in and for and residing in said county and State, DO HEREBY CERTIFY that Joe A. Desarden and Rosaura Lugo, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, 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 company for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 8th day of August, 1996.

Jamie F. Howard

 Notary Public



This Instrument Prepared by: Stowick & Stowick
 1614 North Pulaski Rd.
 Chicago, Illinois 60639



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EXHIBIT A

Lots 2 and 3 in Subdivision of Lot 1 in Gray's Subdivision of 8 Acres East and Adjoining the West 35.62 Acres in the Northeast 1/4 of Section 36, Township 40 North, Range 13, East of the Third Principal Meridian, In Cook County, Illinois.

C/K/A 2559-61 West Fullerton Avenue, Chicago, Illinois 60647

P.I.N.# 13-36-203-006 vol. 530

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