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THIS INSTRUMENT WAS
PREPARED BY AND AFTER
RECORDING SHOULD BE
RETURNED TO:

David G. Spak, Esq.
325 West Huron Street
Suite 806
Chicago, Illinois 60610
(312) 751-2777

96978944

DEPT-01 RECORDING \$35.00
140012 TRAN 3552 12/30/96 15:12:00
43706 + CG *--96--978944
COOK COUNTY RECORDER

Property Address:
3721-3725 North Sheffield Avenue
Chicago, Illinois 60614

Property Identification Numbers:
14-20-220-012
14-20-220-013

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES (this "Assignment") is made as of this 23rd day of December, 1996 by First Bank and Trust Company of Illinois ("Trustee"), not personally, but solely as Trustee under Trust Agreement dated April 25, 1996 (the "Trust Agreement") and known as Trust No. 10-2033 (the "Trust"), Z.L.L.C. ("Beneficiary"), an Illinois limited liability company, BAFCOR, Inc. ("Bafcor"), an Illinois corporation, and Bruce A. Fogelson ("Guarantor") (Trustee, Beneficiary, Bafcor and Guarantor are sometimes hereinafter collectively referred to as "Assignor") to First Bank and Trust Company of Illinois ("Lender"), a state chartered bank, having an office at 300 East Northwest Highway, Palatine, Illinois 60067.

RECITALS:

WHEREAS, Lender has agreed to make a loan to Assignor in the maximum principal amount at any one time of Two Million One Hundred Thousand and 00/100 (\$2,100,000.00) (the "Loan") for the acquisition, improvement and sale as condominium of fourteen (14) units on the property located at and commonly known as 3721-3725 North Sheffield Avenue, Chicago, Illinois, as more fully described in Exhibit A, attached hereto and made a part hereof by this reference (the "Property");

WHEREAS, as evidence of the indebtedness incurred under the Loan, Assignor has executed and delivered to Lender a Promissory Note of even date herewith, payable to Lender, in the maximum principal amount at any one time of \$2,100,000.00 (the "Note"), the Loan and payment of the Note being governed and secured by, among other things, a Loan Agreement of even date herewith (the "Loan Agreement") by and among Assignor and Lender, and a Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing of even date herewith (the "Mortgage") from Trustee covering the Property as well as other security; and

WHEREAS, the execution and delivery of this Assignment is a condition precedent to Lender making the Loan.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby warrants, conveys, unconditionally and absolutely transfers, assigns and sets over to Lender, its successors and assigns, from and after the date hereof, all of Assignor's right, title and interest in and to (a) all leases, subleases, licenses, rental contracts and other agreements, now existing or hereafter entered into, relating to the occupancy and affecting the Property, together with all guarantees, modifications, extensions and renewals thereof which now exist or may hereafter be made (collectively, the "Leases"), and (b) all rents, issues, profits, income and proceeds due or to become due from tenants of the Property, including but not limited

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to, rentals under all present and future Leases, together with all deposits of tenants thereunder, including, without limitation, security deposits as allowed by law, now or hereafter held by Assignor in connection with the Property (collectively, the "Rents").

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

1. Subject to the provisions of Paragraph 3 below, Lender shall have the right, power and authority: (a) to collect Rents and to notify any and all tenants and other obligors on Leases that the same have been assigned to Lender and that all Rents are to be paid directly to Lender (and such Tenants are hereby authorized to make such payments to Lender without inquiry of any kind), whether or not Lender shall have foreclosed or commenced foreclosure proceedings against the Property and whether or not Lender has taken possession of the Property, (b) to settle, compromise or release, on terms acceptable to Lender, in whole or in part, any amounts owing under any Leases and any Rents; (c) to enforce payment of Rents and to prosecute any action or proceeding, and to defend legal proceedings, with respect to any and all Rents and Leases and to extend the time of payment, make allowances, adjustments and discounts; (d) to enter upon, take possession of and operate the Property; (e) to lease all or any part of the Property; and/or (f) to enforce all other rights of the lessor under the Leases. Notwithstanding anything herein to the contrary, Lender shall not be obligated to perform or discharge, and Lender does not undertake or perform or discharge under or by reason of this Assignment, any obligation, duty or liability (including, without limitation, liability under any covenant of quiet enjoyment contained in any Lease or under the law of any state if any tenant shall be joined as a party defendant in any action to foreclose the Mortgage, and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Property) with respect to the Leases or the Rents. This Assignment shall not operate to place responsibility for the control, care, maintenance or repair of the Property upon Lender, or to make Lender responsible or liable for any waste committed on the Property by any tenant or other person, for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property. Nothing contained in this Assignment shall be construed as constituting Lender a trustee or mortgagee in possession.

2. Subject to the terms of Paragraph 3 below, Lender 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 Lender hereunder, and collecting any Rents, and (b) for the operation and maintenance of the Property and the payment of all costs and expenses in connection therewith, in such order and manner as Lender shall determine, including, without limitation, the payment of (i) rentals and other charges payable by Assignor under any ground lease affecting the Property, (ii) interest, principal or other amounts with respect to any and all loans secured by mortgages on the Property, including, without limitation, the Mortgage, (iii) electricity, telephone, water and other utility costs, taxes, assessments, water charges and sewer rents and other utility and governmental charges levied, assessed or imposed against the Property or any part thereof, (iv) insurance premiums, (v) costs and expenses with respect to any litigation affecting the Property, the Leases or the Rents, (vi) wages and salaries of employees, commissions of agents and attorneys' fees, and (vii) all other carrying costs, fees, charges and expenses whatsoever relating to the Property. To the extent not paid pursuant to the immediately preceding sentence, after the payment of all such costs and expenses and after Lender shall have set up such reserves as it, in its reasonable discretion, shall deem necessary for the proper management of the Property, Lender shall apply all remaining Rents collected and received by it to the reduction of the Indebtedness (as defined in the Mortgage). Exercise or nonexercise by Lender of the rights granted in this Assignment, or collection and application of Rents by Lender or its agent shall not be a waiver of any default by Assignor under this Assignment, the Mortgage, the Note or any other Loan Document (as defined in the Mortgage). No action or failure to act by Lender with respect to any of the obligations of Assignor under the Loan Documents, to any security or guarantee given for the payment or performance thereof, or to any other document or instrument evidencing or relating to such obligations, shall in any manner affect, impair or prejudice any of Lender's rights and privileges under this Assignment or discharge, release or modify any of Assignor's duties or obligations hereunder. This Assignment is intended by Assignor and Lender to create, and shall be construed to create, an absolute assignment to Lender, subject only to the terms and provisions hereof, and not as an assignment as security for the payment of the Indebtedness and performance of the obligations evidenced by the Loan Documents, or for any other indebtedness of Assignor.

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3. Although it is the intention of the parties that the assignment provided for herein shall be a present absolute assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Assignee shall not exercise any of the right or powers conferred upon it by this Assignment until a default or an Event of Default shall have occurred under this Assignment or any other Loan Document and the default or Event of Default shall not have been cured within the applicable grace or cure period provided therefor, if any.

4. This 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 Assignment, and (b) all other obligations of Assignor under the Loan Documents have been satisfied. At such time, this Assignment and the authority and powers herein granted by Assignor to Lender shall cease and terminate and Assignor shall assume payment of all unmatured or unpaid charges, expenses or obligations incurred or undertaken by Lender, if any, in connection with the management of the Property.

5. Except as set forth herein and in the Loan Documents, Assignor hereby represents and warrants that there are no Leases which now affect the Property. The assignment of leases for sold condominium units are not prohibited by this Agreement.

6. Lender shall not in any way be liable to Assignor or any other party for any act done or anything omitted to be done to the Property, the Leases or the Rents by or on behalf of Lender in good faith in connection with this Assignment except for the consequences of its own gross negligence or willful misconduct or the failure of Lender to materially comply with the terms hereof. Lender shall not be liable for any act or omission of its agents, servants, employees or attorneys, provided that reasonable care is used by Lender in the selection of such agents, servants, employees and attorneys. Lender shall be accountable to Assignor only for monies actually received by Lender pursuant to this Assignment.

7. Assignor shall indemnify, defend and hold Lender and its officers, directors, employees and agents harmless from and against any and all liability, loss, damage, cost or expense, including reasonable attorneys' fees, which it may incur under any of the Leases, or with respect to this Assignment or any action or failure to act of Lender hereunder, and from and against any and all claims and demands whatsoever which may be asserted against Lender 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, except to the extent caused by or resulting from the gross negligence or willful misconduct of Lender, its agents, employees or representatives or the failure of Lender to materially comply with the terms hereof. If Lender 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 Lender until the same is paid by Assignor to Lender at a rate equal to the Delinquency Rate (as defined in the Note) shall be payable by Assignor to Lender immediately upon demand, or at the option of Lender, Lender may reimburse itself therefor out of any Rents collected by Lender.

8. Any amounts received by Assignor or its agents for performance of any actions prohibited by the terms of this Assignment, including any amounts received in connection with any cancellation, modification, or amendment of any of the Leases prohibited by the terms of this Assignment and any amounts received by Assignor as rents, income, issues, or profits from the Property from any after the occurrence of an Event of Default hereunder or under the Mortgage, shall be held by Assignor as trustee for Lender and all such amounts shall be accounted for to Lender and shall not be commingled with other funds of Assignor. Any person acquiring or receiving all or any portion of such trust funds shall acquire or receive the same in trust for Lender as if such person had actual or constructive notice that such funds were impressed with a trust in accordance herewith; by way of example and not of limitation, such notice may be given by an instrument recorded with the Recorder of Deeds of Cook County, Illinois stating that Assignor has received or will receive such amounts in trust for Lender.

9. This Assignment is intended to be supplementary to and not in substitution for or in derogation of any assignment of rents to secure said indebtedness contained in the Mortgage or in any other document. Any provision in the Mortgage that pertains to this Assignment shall be deemed to be incorporated herein as if such provision were fully set forth in this Assignment. If there is any conflict between the terms of this Assignment and the terms of the Mortgage, the terms of the Mortgage shall prevail. A provision in this Assignment shall not be deemed to be inconsistent with the Mortgage by reason of the fact that no provision in the Mortgage covers such provision in this Assignment.

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10. Upon issuance of a deed or deeds pursuant to foreclosure of the Mortgage, all right, title and interest of Assignor in and to the Leases shall, by virtue of this instrument, thereupon vest in and become the absolute property of the grantee or grantees in such deed or deeds without any further act or assignment by Assignor.

11. All notices, demands, requests and other communications which are required or permitted to be given hereunder shall be in writing and shall be deemed sufficiently given when delivered or mailed in the manner set forth in the Mortgage.

12. Upon request of Lender, Assignor shall execute and deliver to Lender, such further instruments as Lender reasonably may deem necessary to effect this Assignment and the covenants of Assignor contained herein.

13. This Assignment shall be assignable by Lender and all of the representations, warranties, covenants, agreements and provisions in this Assignment shall bind and inure to the benefit of Lender and Assignor and their respective legal representatives, successors and assigns.

14. This 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.

15. This Assignment shall be governed by, construed and enforced in accordance with the laws of the State of Illinois.

16. It is expressly intended, understood and agreed that this Assignment and the other Loan Documents are made and entered into for the sole protection and benefit of Assignor and Lender, and their respective successors and assigns; that no other person shall have any right at any time to act on hereon or rights to the proceeds of the Loan, that the Loan proceeds do not constitute a trust fund for the benefit of any third party; that no third party shall under any circumstances be entitled to any equitable lien on any undisbursed Loan proceeds at any time; and that Lender shall have a lien upon and right to direct application of any undisbursed Loan proceeds as provided in the Loan Documents.

17. The relationship between Assignor and Lender is solely that of a lender and borrower, and nothing contained herein or in any of the Loan Documents shall in any manner be construed as making the parties hereto partners, joint venturers or any other relationship other than lender and borrower.

18. Assignor and Lender intend and believe that each provision in this Assignment comports with all applicable local, state or federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, in this Assignment is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decision or public policy, and if such court should declare such portion, provision or provisions of this Assignment to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Assignor and Lender that such portion, provision or provisions shall be given force to the fullest possible extent that they are legal, valid and enforceable, that the remainder of this Assignment shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and that the rights, obligations and the interests of Assignor and Lender under the remainder of this Assignment shall continue in full force and effect.

19. The occurrence of any of the following events shall constitute an "Event of Default" under this Assignment:

(a) default under the Note, the Mortgage or any of the other Loan Documents, which default has not been caused within the applicable grace or cure period, if any provided therein; or

(b) default in the due observance or performance of any of the terms, covenants or conditions contained in this Assignment which continues for more than thirty (30) days after receipt from Lender of written notice of such default; or

(c) should any representation or warranty made herein or in any other Loan Document prove to be untrue when made in any material respect; or

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(d) the entry into any lease without Lender's prior written approval, except in accordance with the terms and conditions of Section 1.15 of the Mortgage; or

(e) default beyond any applicable grace or cure period under any obligation set forth in any of the other Loan Documents.

20. This Assignment is executed by First Bank and Trust Company of Illinois, as Trustee aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee. All the terms, provisions, stipulations, covenants and conditions to be performed hereunder (whether or not the same are expressed in the terms of covenants, promises or agreements) by Trustee, are undertaken by it solely as Trustee under the Trust Agreement, and not individually, and no personal liability shall be asserted or be enforceable against Trustee by reason of any of the terms, provisions, stipulations, covenants and conditions contained in this Assignment.

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

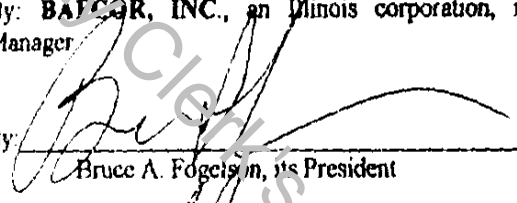
ASSIGNOR:

FIRST BANK AND TRUST COMPANY OF ILLINOIS, not personally, but solely as Trustee under Trust Agreement dated April 25, 1996 and known as Trust No. 10-2033

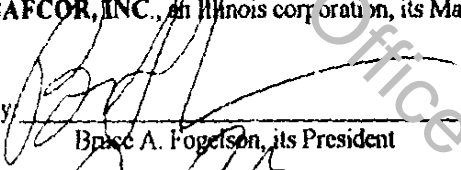
By: 
Its: 


Z.L.L.C., an Illinois limited liability company

By: **BAFCOR, INC.**, an Illinois corporation, its Manager

By: 
Bruce A. Fogelson, its President

BAFCOR, INC., an Illinois corporation, its Manager

By: 
Bruce A. Fogelson, its President


Bruce A. Fogelson

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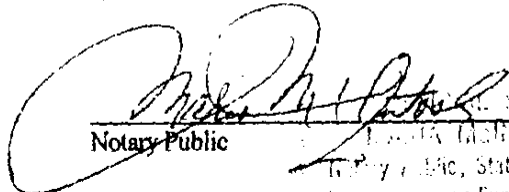
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STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Michael C. Winter of the First Bank and Trust Company of Illinois, who is personally known to me to be the person whose name is subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of the said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth.

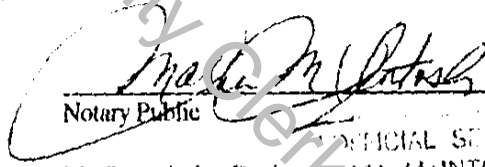
GIVEN under my hand and notarial seal this 23rd day of Dec., 1996.


Notary Public
My Commission Expires: 1-13-98

STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Bruce A. Fogelson, President of BAFCOR, Inc., an Illinois corporation, is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such managing member, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, as the free and voluntary act of said corporation and as the free and voluntary act of Z.L.L.C., an Illinois limited liability company of which said corporation is the Manager, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 23 day of December, 1996.


Notary Public
My Commission Expires: 1-13-98

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Bruce A. Fogelson, President of BAFCOR, Inc., an Illinois corporation, is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his 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 23 day of December, 1996.

Marshall Antosh
Notary Public
My Commission Expires: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Bruce A. Fogelson is 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 signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 23 day of December, 1996.

Marshall Antosh
Notary Public
My Commission Expires: _____

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STREET ADDRESS: 3725 N. SHEFFIELD

CITY: CHICAGO

COUNTY: COOK

TAX NUMBER: 14-20-220-012-0000
14-20-220-013

LEGAL DESCRIPTION:

LOTS 9 AND 10 IN BLOCK 5 IN BUCKINGHAM'S SECOND ADDITION TO LAKE VIEW IN THE NORTHEAST
1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN
COOK COUNTY, ILLINOIS.

Exhibit A - Legal Description

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