

ASSIGNMENT OF RENTS AND LESSOR'S INTEREST IN LEASES

THIS ASSIGNMENT is made July 1, 1998, by Diamond Properties, Inc., an Illinois corporation (hereinafter sometimes referred to as "Assignor") to Elizabeth Bucchi, Trustee of the Elizabeth Bucchi Self Declaration of Trust dated August 26, 1994 ("Assignee").

DEC CC 125043 MC 1.00 WITNESSETH:

WHEREAS, contemporaneously with the execution of this Assignment, Assignee has agreed to loan certain funds (the "Loan") to Assignor, and Assignor is executing and delivering to Assignee that certain Mortgage Note of even date herewith payable to Assignee in the principal sum of Seven Hundred Eighty-Five Thousand Dollars (\$785,000.00) (the "Note"), which Note is unconditionally guaranteed by Guarantors (as defined in the Note); and

WHEREAS, Assignee requires as a condition precedent to making the Loan to the Assignor, that the Assignor execute and deliver this Assignment to Assignee to secure payment of the indebtedness evidenced by the Note and the observance and performance of the covenants, terms, conditions and agreements contained in that certain Mortgage (the "Mortgage") of even date herewith made by Assignor to Assignee creating a first mortgage lien on the Property (hereinafter defined), and that certain Security Agreement (said security documents and all other documents and instruments evidencing or securing the Loan evidenced by the Note, including the Note, are collectively referred to herein as the "Loan Documents");

NOW, THEREFORE, for and in consideration of the making of the Loan, and as an inducement to Assignee to do so, and as additional security for the payment and performance of the obligations of Assignor, under the Loan Documents, Assignor does hereby set over, assign and transfer to Assignee, upon the terms and conditions hereinafter contained, the entire lessor's interest in and to any and all leases and subleases (including all extensions and renewals thereof), now or hereafter existing (the "Leases"), and any and all rents, income and profits, of and from that certain real estate located at 105 E. Golf Road, Hoffman Estates, Cook County, Illinois and legally described in Exhibit "A" attached hereto and made a part hereof (the "Property").

AND ASSIGNOR HEREBY COVENANTS, AGREES AND REPRESENTS AS FOLLOWS:

1. Recitals. The Recitals hereinabove set forth are hereby incorporated herein by this reference thereto.
2. Representations of Assignor. Assignor represents to Assignee that:
 - (a) This Assignment, as executed by Assignor, constitutes the legal and binding obligation of Assignor enforceable in accordance with its terms and provisions;
 - (b) Assignor has not heretofore made any other assignment of its entire or any part of its interest in and to any or all of the Leases, or any or all of the rents, issues, income or profits assigned hereunder or entered into any agreement to subordinate any of the Leases or Assignor's right to receive any of the rents, issues, income or profits assigned hereunder; and
 - (c) Assignor has not heretofore executed any instrument or performed any act which may or might prevent Assignee from operating under any of the terms and provisions hereof or which would limit Assignee in such operation.
3. Covenants of Assignor. Assignor covenants and agrees that so long as this Assignment shall be in effect:

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- (a) Assignor shall submit to Assignee for Assignee's approval, all Leases before execution by Assignor;
- (b) Assignor shall observe and perform all of the covenants, terms, conditions and agreements contained in the Leases to be observed or performed by the lessor thereunder, and shall not do or suffer to be done anything to impair the security thereof, or without the express written consent of Assignee, (i) release the liability of any tenant thereunder, or (ii) consent to any tenant thereunder withholding the payment of rent or making monetary advances and offsetting the same against future rentals, or (iii) consent to any tenant thereunder claiming a total or partial eviction, or (iv) consent to any tenant thereunder terminating or canceling any Lease; or (v) enter into any oral leases with respect to all or any portion of the Property;
- (c) Assignor shall not collect any of the rents, issues, income or profits assigned hereunder more than thirty (30) days in advance of the time when the same shall become due, except for security or similar deposits in the normal course of business;
- (d) Assignor shall not make any other assignment of its entire or any part of its interest in or to any or all Leases, or any or all rents, issues, income or profits assigned hereunder without the prior written consent of Assignee;
- (e) Assignor shall not alter, modify or change the terms and provisions of any Lease or give any consent (including, but not limited to, any consent to any assignment of, or subletting under, any Lease) or approval, required or permitted by such terms and provisions or cancel or terminate any Lease without the prior written consent of Assignee, which consent or approval shall be promptly delivered to Assignor if such alteration, modification, change, assignment, subletting, cancellation or termination is acceptable to Assignee, in Assignee's sole and absolute discretion;
- (f) Assignor shall not accept a surrender of any Lease, or convey or transfer, or suffer or permit a conveyance or transfer, of the premises demised under any Lease or of any interest in any Lease so as to effect, directly or indirectly, proximately or remotely, a merger of the estates and rights of, or a termination or diminution of the obligations of any tenant thereunder;
- (g) Assignor shall not alter, modify or change the terms of any guaranty of any Lease, or cancel or terminate any such guaranty or do or suffer to be done anything which would terminate any such guaranty as a matter of law, without the prior written consent of Assignee;
- (h) Assignor shall not waive or excuse the obligation to pay rent under any Lease;
- (i) Assignor shall enforce the Leases and all rights and remedies of the lessor thereunder in case of default thereunder by any tenant;
- (j) Assignor shall, at its sole cost and expense, appear in and defend any and all actions and proceedings arising under, relating to or in any manner connected with any Lease or the obligations, duties or liabilities of the lessor or any tenant or guarantor thereunder, and shall pay all costs and expenses of Assignee, including reasonable attorneys' fees, in any such action or proceeding in which Assignee may appear;
- (k) Assignor shall give prompt notice to Assignee of any notice of any default on the part of the lessor with respect to any Lease received from any tenant or guarantor thereunder, and

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- (i) Assignor shall enforce the observance and performance of each and every covenant, term, condition and agreement contained in each and every Lease to be observed and performed by the tenant(s) thereunder.
4. **Rights Prior to Default.** So long as an Event of Default has not occurred hereunder, Assignor shall have the right to collect at the time, but not more than thirty (30) days in advance, of the date provided for the payment thereof, all rents, issues, income and profits assigned hereunder (other than security or similar deposits), and to retain, use and enjoy the same. Assignee shall have the right to notify the tenants under the Leases of the existence of this Assignment at any time.
5. **Events of Default.** Each of the following shall constitute an "Event of Default" for purposes of this Assignment:
- (a) Failure of Assignor to pay within five (5) days of the date when due, (i) any installment of principal or interest payable pursuant to the Note, the Mortgage or this Assignment or (ii) any other amount payable pursuant to the Note, the Mortgage or this Assignment.
- (b) Failure of Assignor to promptly perform any other condition, covenant, term, agreement or provision required to be performed or observed by Assignor under this Assignment; provided, however, that unless and until the continued operation and safety of the Property, or the priority, validity or enforceability of the lien created by this Assignment, the Mortgage or any of the other Loan Documents or the value of the Property is immediately threatened or jeopardized, Assignor shall have a period not to exceed thirty (30) days after written notice of any such failure of performance to cure the same; provided further that if such failure is not susceptible to cure within such 30-day period, Assignor shall have an additional reasonable period of time (in no event more than thirty (30) additional days) to cure such failure so long as Assignor has commenced cure within the original 30-day period and thereafter diligently pursues such cure.
- (c) The existence of any material inaccuracy or untruth in any representation, covenant or warranty contained in this Assignment, the Mortgage or any other Loan Document, or of any statement or certification as to facts delivered to Assignee to the extent such is not cured within a reasonable period of time.
- (d) At any time, Assignor or Guarantors (as defined in the Note) files a voluntary petition in bankruptcy, or is adjudicated a bankrupt or insolvent, or institutes (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future Federal, state or other statute or law, or admits in writing his, her or its inability to pay his, her or its debts as they mature, or makes an assignment for the benefit of his or its creditors, or seeks or consents to or acquiesces in the appointment of any receiver, trustee or similar officer for all or any substantial part of his, her or its property.
- (e) The commencement of any involuntary petition in bankruptcy against Assignor or Guarantors, or the institution against Assignor or Guarantors, of any reorganization, arrangement, composition, readjustment, dissolution, liquidation or similar proceedings under any present or future Federal, state or other statute or law or the appointment of a receiver, trustee or other officer for all or any substantial part of the property of Assignor or Guarantors, which shall remain undismissed or undischarged for a period of sixty (60) days.

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- (f) The levy against the collateral secured by this Assignment, or any portion thereof, or any execution, attachment, sequestration or other writ which is not released within thirty (30) days after the date created.
- (g) Any sale, transfer, lease, assignment, conveyance, pledge, financing, lien or encumbrance made in violation of the provision of this Assignment.
- (h) The occurrence of any Event of Default under any of the Loan Documents which Event of Default is not cured within the grace or cure period, if any applicable thereto.

6. **Rights and Remedies Upon Default.** At any time upon or following the occurrence of any one or more events of default under the provision of Paragraph 5 of this Assignment, Assignee may, at its option and without any obligation to do so, without in any way waiving such event or events of default, without notice or demand on the Guarantors or Assignor, without regard to the adequacy of the security for the obligations secured hereby, without releasing Assignor or the Guarantors of the Note from any obligation hereunder, and with or without bringing any action or proceeding:

- (a) Declare the unpaid balance of the principal sum of the Note, together with all accrued and unpaid interest thereon, immediately due and payable;
- (b) Enter upon and take possession of the Property, either in person or by agent or by a receiver appointed by a court, and have, hold, manage, lease and operate the same on such terms and for such period of time as Assignee may deem necessary or proper, with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to Assignee to make, enforce, modify and accept the surrender of Leases, to obtain and evict tenants, to fix or modify rents, and to do any other act which Assignee deems necessary or proper;
- (c) Either with or without taking possession of the Property, demand, sue for, settle, compromise, collect, and give acquittances for all rents, issues, income and profits of and from the Property and pursue all remedies for enforcement of the Leases and all the lessor's rights therein and thereunder, provided that, for such purpose, this Assignment shall constitute an authorization and direction to the tenants under the Leases to pay all rents and other amounts payable under the Leases to Assignee, without proof of default hereunder, upon receipt from Assignee of written notice to thereafter pay all such rents and other amounts to Assignee and to comply with any notice or demand by Assignee for observance or performance of any of the covenants, terms, conditions and agreements contained in the Leases to be observed or performed by the tenants thereunder, and provided, further, that Assignor will facilitate in all reasonable ways Assignee's collection of such rents, issues, income and profits, and upon request will execute written notices to the tenants under the Leases to thereafter pay all such rents and other amounts to Assignee; and
- (d) Make any payment or do any act required herein of Assignor in such manner and to such extent as Assignee may deem necessary, and any amount so paid by Assignee shall become immediately due and payable by Assignor with interest thereon until paid at an annual rate (the "Default Rate") equal to two percent (2%) plus the Loan Rate (as defined in the Note) in effect from time to time under the Note and shall be secured by this Assignment.

7. **Application of Proceeds.** All sums collected and received by Assignee out of the rents, issues, income and profits of the Property following the occurrence of any one or more

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events of default under the provisions of Paragraph 5 of this Assignment shall be applied as follows:

- (a) First, to reimbursement of Assignee for and of all reasonable expenses of: taking and retaining possession of the Property; managing the Property and collecting the rents, issues, income and profits thereof, including without limitation, salaries, fees and wages of a managing agent and such other employees as Assignee may deem necessary and proper, and reasonable attorneys' fees; reasonable operating and maintaining the Property, including without limitation, taxes, charges, claims, assessments, water rents, sewer rents, other liens, and premiums for any insurance provided in the Mortgage; the cost of all alterations, renovations, repairs or replacements of or to the Property which Assignee may deem necessary and proper, with interest thereon at the Default Rate;
 - (b) Second, to reimbursement of Assignee for and of all reasonable sums expended by Assignee pursuant to Paragraph 6(d) hereof to make any payment or do any act required herein of Assignor, together with interest thereon at the Default Rate;
 - (c) Third, to reimbursement of Assignee for and of all other reasonable sums with respect to which Assignor is indemnified pursuant to Paragraph 8 hereof, together with interest thereon at the Default Rate;
 - (d) Fourth, to reimbursement of Assignee for and of all other reasonable sums expended or advanced by Assignee pursuant to the terms and provisions of or constituting additional indebtedness under any of the Loan Documents, with interest thereon at the Default Rate;
 - (e) Fifth, to the payment of all accrued and unpaid interest on the principal sum of the Note;
 - (f) Sixth, to payment of the unpaid balance of the principal sum of the Note; and
 - (g) Seventh, any balance remaining to Assignor, its successors and assigns.
8. Limitation of Assignee's Liability. Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to let the Property following the occurrence of any one or more Events of Default under the provisions hereof, or from any other act or omission of Assignee in reasonably managing, operating or maintaining the Property following the occurrence of any one or more Events of Default under the provisions hereof. Assignee shall not be obligated to observe, perform or discharge, nor does Assignee hereby undertake to observe, perform or discharge any covenant, term, condition or agreement contained in any Lease to be observed or performed by the lessor (hereunder, or any obligation, duty or liability of Assignor under or by reason of this Assignment, and Assignor shall and does hereby agree to indemnify Assignee for, and to hold Assignee harmless of and from, any and all liability, loss or damage which Assignee may or might incur under any Lease or under or by reason of this Assignment and of and from 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 observe or perform any of the covenants, terms, conditions and agreements contained in any Lease; provided, however, that Assignor's obligation pursuant to this Paragraph 8 shall not extend to any occurrence or matter in which Assignee has been guilty of willful misconduct or gross negligence. Should Assignee incur any such liability, loss or damage under any Lease or under or by reason of this Assignment, or in the defense of any such claim or demand, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall become immediately due

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- and payable by Assignor with interest thereon at the Default Rate and shall be secured by this Assignment. This Assignment shall not operate to place responsibility for the care, control, management or repair of the Property or for the carrying out of any of the covenants, terms, conditions and agreements contained in any Lease upon Assignee, nor shall it operate to make Assignee responsible or liable for any waste committed upon the Property by any tenant, occupant or other party, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, occupant, licensee, employee or stranger.
9. **Non-Waiver.** Nothing contained in this Assignment and no act done or omitted to be done by Assignee pursuant to the rights and powers granted to it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under the Note, or any of the Loan Documents, this Assignment is made and accepted without prejudice to any of the rights and remedies of Assignee under the terms and provisions of such instruments; and Assignee may exercise any of its rights and remedies under the terms and provisions of such instruments either prior to, simultaneously with, or subsequent to any action taken by it hereunder. Assignee may take or release any other security for the performance of the obligations secured hereby, may release any party primarily or secondarily liable therefore, and may apply any other security held by it for the satisfaction of the obligations secured hereby without prejudice to any of its rights and powers hereunder.
 10. **Further Assurances.** Assignor shall execute or cause to be executed such additional instruments (including, but not limited to, general or specific assignments of such Leases as Assignee may designate) and shall do or cause to be done such further acts, as Assignee may reasonably request, in order to permit Assignee to perfect, protect, preserve and maintain the assignment made to Assignee by this Assignment.
 11. **Severability.** The invalidity or unenforceability of any particular provision of this Assignment shall not affect the other provisions, and this Assignment shall be construed in all respects as if such invalid or unenforceable provision had not been contained herein.
 12. **Benefit.** This Assignment is binding upon Assignor, its successors and assigns, and the rights, powers and remedies of Assignee under this Assignment shall inure to the benefit of Assignee and its successors and assigns.
 13. **Written Modifications.** This Assignment shall not be amended, modified or supplemented without the written agreement of Assignor and Assignee at the time of such amendment, modification or supplement.
 14. **Duration.** This Assignment shall become null and void at such time as Assignor shall have paid the principal sum of the Note, together with all interest thereon, and shall have fully paid and performed all of the other obligations secured hereby and by the Loan Documents.
 15. **Governing Law.** This Assignment shall be governed by and construed in accordance with the laws of the State of Illinois.
 16. **Joint and Several Liability.** The Assignor and the Guarantors, in their capacity as such, shall be jointly and severally liable hereunder. An action to enforce this Assignment may be brought against the Assignor or the Guarantors, in their capacity as such, without any requirement of joinder of the other party in such action. Any amounts due under this Assignment may be recovered in full from any of the Assignor and the Guarantors.

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17. **Notices.** Any notice or demand required or permitted to be given under this Assignment shall be in writing and shall be personally delivered or mailed by United States registered or certified mail, return receipt requested, addressed as follows:

To Assignee: Elizabeth Bucchi, Trustee of the Elizabeth Bucchi
Self Declaration of Trust dated August 26, 1994
288 Wildspring Court
Itasca, Illinois 60143

With copy to: Attorney Michael J. Polachek
Damall, Polachek & Krantz
2121 West Army Trail Road, Suite 105
Addison, Illinois 60101

To Assignor: Diamond Properties, Inc., an Illinois corporation
105 E. Golf Road
Hoffman Estates, Illinois 60173

With copy to: Attorney Michael Hirschtick
6321 North Avondale, Suite 210
Chicago, Illinois 60631

Any notice or demand given by United States mail shall be deemed given on the second business day after the same is deposited in the United States mail as registered or certified mail, addressed as above provided with postage thereon fully prepaid. Either party may designate a different address for notice purposes by giving notice thereof in accordance with this Paragraph 17; provided, however, that such notice shall not be deemed given until actually received by the addressee.

IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment as of the day and year first above written.

DIAMOND PROPERTIES, INC., an Illinois corporation

By: *Patrick Bucchi*
Patrick Bucchi, Its President

Attest: *Patrick Bucchi*
Patrick Bucchi, Its Secretary

Property Addresses:
105 E. Golf Road
Hoffman Estates, Illinois 60173

Permanent Real Estate Index No: 07-15-200-032

This instrument was prepared by
and, after recording, return to:

Attorney Michael J. Polachek
Damall, Polachek & Krantz
2121 West Army Trail Road, Suite 105
Addison, Illinois 60101-5612

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STATE OF ILLINOIS)
) ss.
COUNTY OF ~~COOK~~)
) DU PAGE

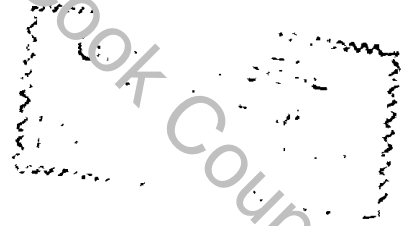
I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Patrick Bucchi, personally known to me to be the President and Secretary of Diamond Properties, Inc., and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such President and Secretary, he signed and delivered the said instrument, pursuant to authority given by the Board of Directors of said corporation, as his free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal,
this 1 day of July, 1998.



Notary Public

(SEAL)



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Exhibit A

That part of LOT FOURTEEN (14) in Block 1 in Hoffman Estates 1 (hereinafter described) more particularly described as follows: Beginning at the North East corner of said LOT 14, being the North West corner of LOT 13 of said Block 1; thence Southward along the West line of Lots 12 and 13 of said Block 1, South 00°24'39" East, a distance of 200.00 feet; thence South 89°35'21" West a distance of 102.36 feet; thence North 3°07'51" East, a distance of 200.07 feet to a point on the North line of said Lot 14, being the Southerly right-of-way line of Golf Road; thence Eastward along the said North line of Lot 14, North 89°23'37" East, a distance of 90.0 feet to the point of beginning.

Said Hoffman Estates 1 being a Subdivision of that part of the West Half (1/2) of the Northwest Quarter (1/4) and that part of the Northwest Quarter (1/4) of the Southwest Quarter (1/4) of Section 14, Township 41 North, Range 10, East of the Third Principal Meridian, lying North of Higgins Road, together with that part of the Northeast Quarter (1/4) of Section 15, Township 41 North, Range 10, East of the Third Principal Meridian, lying North of Higgins Road, according to Plat thereof registered in the Office of the Registrar of Titles of Cook County, Illinois, on August 5, 1955, as Document Number 1612242.

EXCEPT,

The North ten (10) feet of that part of Lot Fourteen (14) in Block One (1) in Hoffman Estates Number One, being a Subdivision of that part of the West half of the Northwest Quarter and that part of the Northwest Quarter of the Southwest Quarter of Section Fourteen (14), Township Forty-one (41) North, Range Ten (10), East of the Third Principal Meridian, lying North of Higgins Road, together with that part of the Northeast Quarter of Section Fifteen (15), Township Forty One (41) North, Range Ten (10), East of the Third Principal Meridian, lying North of Higgins Road, according to Plat thereof registered in the Office of the Registrar of Titles of Cook County, Illinois on August 5, 1955, as Document Number LR 1612242, described as follows:

Beginning at the North East corner of said Lot 14, being the North West corner of Lot 13 of said Block 1; thence Southward along the West line of Lots 12 and 13 of said Block 1 South 00 degrees, 24 minutes, 39 seconds East a distance of 200 feet; thence South 89 degrees, 35 minutes, 21 seconds West a distance of 102.36 feet; thence North 3 degrees, 07 minutes 51 seconds East a distance of 200.07 feet to a point on the North line of said Lot 14, being the Southerly right of way line of Golf Road; thence Eastward along the said North line of Lot 14 North 89 degrees, 23 minutes 37 seconds East a distance of 90 feet to the Place of Beginning, in Cook County, Illinois.

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