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Cook County Recorder

41.00

SPACE ABOVE THIS LINE RESERVED FOR
RECORDER'S USE ONLY

WILLOW, L.L.C.

to

PHOENIX HOME LIFE MUTUAL INSURANCE COMPANY

Company

Assignee

ASSIGNMENT OF LEASE

Dated as of September 1, 1998

Walgreen Retail Outlet
(NEC Willow Road and
Old Willow Road, City of
Northfield, Cook County, Illinois)

This instrument prepared by
and when recorded return to:

Daniel J. Favero
Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603

BOX 333-CTI

406-5
7757187 D2

Property of Cook County Clerk's Office

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ASSIGNMENT OF LEASE dated as of September 1, 1998 (herein, as the same may be amended or supplemented from time to time, called the "*Assignment Agreement*"), from WILLOW, L.L.C., an Illinois limited liability company (the "*Company*"), whose address is c/o Centrum Properties, Inc., 225 West Hubbard Street, Chicago, Illinois 60610-4416, to PHOENIX HOME LIFE MUTUAL INSURANCE COMPANY (the "*Assignee*") whose address is c/o Phoenix Duff & Phelps, Inc., 56 Prospect Street, Hartford, Connecticut 06115-0480, Attention: Private Placement Division.

PRELIMINARY STATEMENT

The Property hereinafter referred to has been leased by the Company (as successor-in-interest to Centrum Equities, Inc., the original landlord) to Bond Drug Company of Illinois, an Illinois corporation (the "*Tenant*") pursuant to a Lease dated May 24, 1996 (herein, as the same may be amended or supplemented from time to time as permitted thereby, called the "*Lease*"). The obligations of the Tenant under the Lease have been guaranteed by Walgreen Co., an Illinois corporation (the "*Guarantor*"), pursuant to that certain Guaranty dated May 31, 1996 (the "*Guaranty*"). The "*Property*" consists of one or more parcels of land described in Schedule A hereto, together with all improvements at any time existing thereon, all fixtures at any time affixed thereto and all easements, rights and appurtenances at any time relating thereto.

The Company and the Assignee have executed and delivered a Note Agreement dated as of September 1, 1998 (the "*Note Agreement*") providing for the commitment of the Assignee to purchase the 6.57% Senior Secured Notes Due August 15, 2018 (together with any other Notes issued by the Company in substitution or exchange thereof hereinafter called the "*Notes*") of the Company in an aggregate principal amount not to exceed \$4,285,000 to be dated the date of issue, expressed to bear interest from the date of issue until maturity at the rate of 6.57% per annum.

The Notes are secured by the Mortgage and Security Agreement dated as of September 1, 1998 (the "*Mortgage*") from the Company to the Assignee creating a first mortgage lien on the Property.

The Assignor is entering into this Assignment Agreement in order to induce the Assignee to purchase the Notes from the Assignor. The Tenant has agreed to acknowledge this Assignment Agreement. This Assignment Agreement shall equally and ratably secure the Notes without preference, priority or distinction.

NOW, THEREFORE, the Assignor hereby agrees with the Assignee as follows:

SECTION 1. ASSIGNMENT OF LEASE.

The Assignor, in consideration of the premises and for other good and valuable consideration, the receipt whereof is hereby acknowledged, and as security for the payment of the principal of (and premium, if any) and all interest and all other sums payable on the Notes

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and all other sums payable under the Note Agreement and the Mortgage and the performance and observance of the provisions of each thereof, whether contained therein or incorporated therein by reference, has assigned, transferred, conveyed and set over, and by these presents does assign, transfer, convey and set over, to the Assignee for the equal and ratable benefit and security of all of the holders of the Notes from time to time outstanding, the Lease and all of the Assignor's estate, right, title, interest, claim and demand as the Assignor thereunder, including all extensions and renewals of the term of the Lease, and all existing or future amendments, supplements or modifications of the Lease (and to any short memorandum form of the Lease executed for recording purposes), together with all rights, powers, privileges, options and other benefits of the Assignor under the Lease, including, without limitation, (a) the immediate and continuing right (whether or not an Event of Default on the Notes or under the Note Agreement or the Mortgage shall have occurred and be continuing) to receive and collect all rents (whether as fixed rent, additional percentage rent (as such terms are used in the Lease) or otherwise), income, revenues, issues, profits, insurance proceeds, condemnation awards, liquidated damages, purchase price proceeds and other payments, tenders and security payable to or receivable by the Assignor under the Lease; (b) if the Tenant exercises any right, or shall be required, to purchase the Property or the Assignor's interest therein, the right and power (such power and right being coupled with an interest) to execute and deliver as agent and attorney-in-fact of the Assignor under the Lease, an appropriate deed or other instruments of transfer necessary or appropriate for the conveyance and transfer to the purchaser of the Property or the portion thereof being so purchased, and all interest of the Assignor therein and to perform in the name and for and on behalf of the Assignor, as such agent and attorney-in-fact, any and all other necessary or appropriate acts with respect to any such purchase, conveyance and transfer; (c) the right to make all waivers, consents and agreements; (d) the right to give and receive copies of all notices and other instruments or communications; (e) the right to take such action upon the occurrence of an event of default under the Lease, including the commencement, conduct and consummation of legal, administrative or other proceedings, as shall be permitted by the Lease or by law; (f) all right, title and interest of the Assignor in, to and under the Guaranty; and (g) the right to do any and all other things whatsoever which the Assignor or any lessor under the Lease is or may be entitled to do thereunder.

SECTION 2. ASSIGNMENT AS COLLATERAL SECURITY.

The assignment made hereby is executed as collateral security, and the execution and delivery hereof shall not in any way impair or diminish any obligations of the Assignor as lessor under the Lease nor impair, affect or modify any of the terms and conditions of the Notes, the Note Agreement or the Mortgage, nor shall any of such obligations be imposed upon the Assignee or any of the holders of the Notes, including but not limited to collecting rentals or enforcing performance by the Tenant. Without limiting the generality of the foregoing, the Assignee shall not be obligated to perform or discharge, nor does the Assignee hereby undertake to perform or discharge, any obligation, duty or liability under the Lease, or under or by reason of this Assignment Agreement; and it is further understood and agreed that this Assignment Agreement shall not operate to place responsibility for the control, care, management or repair of the Property upon the Assignee or any of the holders of the Notes, nor for the carrying out of any of the terms and conditions of the Lease, nor shall it operate to make the Assignee or any of the holders of the Notes responsible or liable for any waste committed on the Property by the Tenant

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or any other parties, or for any dangerous or defective condition of the Property, or for any negligence of the management, upkeep, or repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. The Assignee may, at its option, although it shall not be obligated so to do, after giving written notice to the Tenant, perform any Lease covenant for and on behalf of the Assignor and may recover any money advanced, for any such purpose from the Assignor on demand, with interest at the rate of 8.57% (or at the maximum rate permitted by applicable law, whichever is less) from date of advancement. Upon the payment of the principal of (and premium, if any) and all interest on the Notes and of all other sums payable on the Notes or under the Note Agreement or the Mortgage and the performance and observance of the provisions thereof, this Assignment Agreement shall cease and terminate and all the estate, right, title, interest, claim and demand of the Assignor under the Lease in and to the above-described assigned property shall revert to the Assignor under the Lease, and the Assignee shall at the request of the Assignor under the Lease deliver to the Assignor an instrument canceling this Assignment Agreement and reassigning the above-described assigned property to the Assignor under the Lease.

SECTION 3. POWER OF ATTORNEY IN RESPECT OF THE LEASE.

The Assignor does hereby irrevocably constitute and appoint the Assignee, its true and lawful attorney with full power of substitution, for it and in its name, place and stead, to ask, demand, collect, receive, receipt for, sue for, compound and give acceptance for any and all rents, income and other sums which are assigned under the Granting Clauses of the Mortgage and under and pursuant to this Assignment Agreement with full power to settle, adjust or compromise any claim thereunder as surely as the Assignor could itself do and to endorse the name of the Assignor on all commercial paper given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings either in its own name or in the name of the Assignor or otherwise, which the Assignee may deem necessary or appropriate to protect and preserve the right, title and interest of the Assignee in and to such rents and other sums and the security intended to be afforded hereby and by the Mortgage.

SECTION 4. ACTIONS WITH RESPECT TO THE LEASE.

The Assignor will not, without the prior written consent of the Assignee:

(a) declare a default or exercise the remedies of the Assignor under, or terminate, modify or accept a surrender of, or offer or permit any termination, modification or surrender of the Lease or create or consent to the creation or existence of any mortgage or other lien to secure the payment of indebtedness upon the Assignor's interest under the Lease or the leasehold estate created thereby or any part thereof; or

(b) assign, transfer or hypothecate any rental or other payment due or to become due under the Lease or anticipate any rental or other payment thereunder; or

(c) declare a default or exercise the rights or remedies of the Assignor under, or terminate, modify or accept a surrender of, the Lease.

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SECTION 5. FISCAL AGENT DESIGNATED RECIPIENT; NOTICES BY ASSIGNOR.

The Assignor acknowledges that the Assignee has directed the Tenant in a letter of direction to deliver or remit directly to The Philipsborn Company, as Fiscal Agent (the "*Fiscal Agent*"), all rents (including, without limitation, all fixed rent and all additional percentage rent), income, revenues, issues, profits, insurance proceeds, condemnation awards, liquidated damages, purchase price proceeds and other payments, tenders and security now or hereafter due and payable to or receivable by the Assignor under the Lease, such amounts to be paid directly to the Fiscal Agent in the manner provided therein or in such other manner as the Fiscal Agent may from time to time designate. All amounts received by the Fiscal Agent shall be applied in the manner provided in the Fiscal Agency Agreement. The Assignor hereby agrees to send to the Assignee, by prepaid United States certified mail, return receipt requested, copies of all notices and other instruments or communications required or permitted to be given by the Assignor under the Lease pursuant thereto.

SECTION 6. REPRESENTATIONS AND WARRANTIES.

The Company represents and warrants that the Lease is in full force and effect according to its terms and neither the Assignor nor, to the Assignor's knowledge, the Tenant is in default thereunder, and the Assignor further represents and warrants that it has not executed any assignment of, or in any way affecting, the subject matter of the assignment made hereby to the Assignee. The Assignor holds no deposit or other security for performance by the Tenant.

SECTION 7. IRREVOCABILITY; SUPPLEMENTAL INSTRUMENTS.

The Assignor agrees that the assignment made hereby is irrevocable, and that the Assignor will not, while said assignment is in effect or thereafter until the Tenant has received from the Assignee notice of the termination of said assignment, take any action as the Assignor under the Lease or otherwise which is inconsistent with said assignment, or make any other assignment, designation or direction inconsistent therewith, and that any assignment, designation or direction inconsistent therewith shall be void. The Assignor will from time to time, upon request of the Assignee, execute all instruments of further assurance and all such supplemental instruments as the Assignee may specify.

SECTION 8. AMENDMENT OR TERMINATION OF THE LEASE AND ASSIGNMENT AGREEMENT.

The Assignor agrees that it will not enter into any agreement subordinating, amending, supplementing, hypothecating, waiving, discharging or terminating the Lease or this Assignment Agreement without the Assignee's prior written consent thereto, and that any attempted subordination, amendment, supplement, hypothecation, waiver, discharge or termination without such consent shall be void. The Assignor will not terminate the Lease or take possession of the Property in the event of default without the express prior written consent of the Assignee. In the event that the Lease shall be amended or supplemented as herein permitted, the Lease as so

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amended or supplemented shall continue to be subject to the provisions of this Assignment Agreement without the necessity of any further act by any of the parties hereto.

SECTION 9. RECORDATION.

The Assignor, at its expense, will at all times cause the Lease (or a memorandum thereof) and this Assignment Agreement, or instruments with respect thereto, and appropriate financing statements with respect thereto, to be recorded and filed and to be kept recorded and filed in such manner and in such places, and will pay all such recordation, filing or other taxes, fees and other charges, and will comply with all such statutes and regulations, as may be required by law in order to establish, preserve and protect the respective interests and rights of the parties to the Lease and their respective successors and assigns and the Assignee's interests and rights hereunder (including without limitation, any interests or rights under any supplement or amendment to the Lease or otherwise, acquired after the date hereof) and to establish, preserve and protect the lien created hereby and by the Mortgage as a valid present assignment of the Assignor's right, title and interest in, to and under the Lease. The Assignor, at its expense, will also at all times cause the Mortgage, and appropriate financing statements with respect thereto, to be recorded and filed and to be kept recorded and filed in such manner and in such places, and will pay all such recordation, filing or other taxes, fees and other charges, and will comply with all such statutes and regulations, as may be required by law in order to establish, preserve and protect the lien of the Mortgage as valid first lien of record or perfected security interest on the Property.

SECTION 10. REMEDIES CUMULATIVE, ETC.

Each right, power and remedy of the Assignee provided for in this instrument or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Assignment Agreement or now or hereafter existing at law or in equity or by statute or otherwise and the exercise or beginning of the exercise by the Assignee of any one or more of such rights, powers or remedies shall not preclude the further exercise thereof or the simultaneous or later exercise by the Assignee of any or all such other rights, powers or remedies. No failure or delay on the part of the Assignee to exercise any such right, power or remedy shall operate as a waiver thereof. The Assignor stipulates that the remedies at law in respect of any default or threatened default by the Assignor in the performance of or compliance with any of the terms of this instrument are not and will not be adequate, and that any of such terms may be specifically enforced by a decree for specific performance or by an injunction against the violation of any terms or otherwise.

SECTION 11. MISCELLANEOUS.

(a) All notices, requests, offers, consents and other instruments given pursuant to this Assignment Agreement shall be in writing and shall be validly given when mailed by prepaid registered or certified mail or by prepaid overnight air courier, (i) if to the Company or to the Land Trust, addressed to such party, at its address set forth above, and (ii) if to the Assignee.

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Assignment of Lease

addressed to the Assignee at c/o Phoenix Duff & Phelps, Inc., 56 Prospect Street, Hartford, Connecticut 06115-0480. Attention: Private Placement Division. The Assignor and the Assignee each may from time to time specify, by giving 15 days' notice to the other party, (1) any other address in the United States as its address for purposes of this Assignment Agreement and the Lease and (2) any other person or entity that is to receive copies of notices, offers, consents and other investments hereunder.

(b) This Assignment Agreement shall be binding upon, inure to the benefit of and be enforceable by, the respective successors and assigns of the parties hereto. The headings to the various paragraphs of this Assignment Agreement have been inserted for convenient reference only and shall not modify, define, limit or expand the express provisions of this Assignment Agreement. Neither this Assignment Agreement nor any provision hereof may be amended, modified, waived, discharged or terminated orally, but only by an instrument signed by the parties hereto. If any provision of this Assignment Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Assignment Agreement and any other application of such provision shall not be affected thereby.

(c) This Assignment Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and such counterparts shall together constitute but one and the same Assignment Agreement. It shall not be necessary in making proof of this Assignment Agreement to produce or account for more than one such counterpart signed by the party against which enforcement of this Assignment Agreement is sought. This Assignment Agreement shall be governed by and construed and enforced in accordance with the laws of the State in which this property is located.

(d) The provisions of Section 6.10 of the Mortgage limiting the liability of the Company are incorporated herein by reference.


(e) Upon payment in full of all amounts owing to the Assignee under the Notes, the Note Agreement and the Mortgage, the lien granted under this Agreement shall be released.

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IN WITNESS WHEREOF, the Company has caused this Assignment Agreement to be duly executed and delivered, in its name and behalf all as of the date and year first above written.

WILLOW, L.L.C.

By: 
Title: MANAGER
Company

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

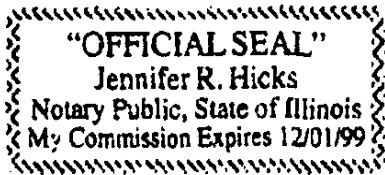
The foregoing instrument was acknowledged before me this 28th day of September, 1998 by John McLinden, the Manager of Willow, L.L.C., an Illinois limited liability company, on behalf of the company.

Jennifer R. Hicks
Notary Public

Printed Name: Jennifer R. Hicks

(SEAL)

Commission expires:



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DESCRIPTION OF REAL PROPERTY

LOT 1 IN CENTRUM SUBDIVISION, BEING A SUBDIVISION OF THAT PART OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 24, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SUBDIVISION RECORDED MARCH 23, 1998 AS DOCUMENT 98373126.

ADDRESS: NEC Willow Road and Old Willow Road, Northfield, Cook County, Illinois

PIN #: 04-24-219-041-0000

SCHEDULE A
(to the Assignment of Lease)

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