

ASSIGNMENT OF LEASE

This Assignment of Lease is entered into this 18th day of December, 1997 by and between American National Bank and Trust of Chicago, as Trustee, under Trust Agreement dated July 1, 1997 and known as Trust No. 600217-06 ^{and not personally} ("Assignor"), Bridgeview Bank and Trust Company, 7940 Harlem Avenue, Bridgeview, Illinois 60455 ("Assignee") and Thornton Oil Corporation, 10101 Linn Station Road, Suite 200, Louisville, Kentucky 40223 ("Lessee").

WHEREAS, Assignor, along with Fairlawn Limited Partnership, 655 Rockland Road, Unit 8, Lake Bluff, Illinois 60044, is indebted to Assignee as evidenced by the terms and conditions of a certain Installment Note in the original principal amount of Six Hundred Thousand and No/100 Dollars (\$600,000.00) dated December 18th, 1997 (the "Note");

WHEREAS, Assignor, as Lessor, has executed a Ground Lease Agreement with Lessee, entered into as of August 11, 1997 (hereinafter the Ground Lease Agreement and any amendments thereto or modifications thereof, and any schedules or exhibits attached or to be attached thereto shall be collectively referred to as the "Ground Lease Agreement");

WHEREAS, in order to induce Assignee to enter into the transaction evidenced by the Note, Assignor has agreed to assign for collateral purposes any rights, title or interests it may have under or arising out of the Ground Lease Agreement;

WHEREAS, Lessee consents and agrees to the terms of this Assignment and, further, acknowledges and warrants to Assignee that the Ground Lease Agreement is in full force and effect and,



Thomas J. Dillon
135 S. LaSalle
Suite 2110
Chicago, IL 60603

further, that this Assignment does not and will not constitute a default under the Ground Lease Agreement;

NOW, THEREFORE, in consideration of the foregoing mutual promises and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties hereto agree as follows:

1. As security for the performance by the Borrowers identified in the Note of their obligations under the Note and all amendments, extensions, modifications and renewals thereof the Assignor does hereby sell, assign, transfer, and set over to Assignee, its successors and assigns (i) any rights of Assignor in and to all rental payments and other sums due and to become due to Assignor under the Ground Lease Agreement; (ii) all of Assignor's rights and remedies arising pursuant to the terms of the Ground Lease Agreement in the event of default thereunder; and (iii) subject to the terms of the Ground Lease Agreement, all right, title and interest of any nature of Assignor in and to the property described and subject to in the Ground Lease Agreement.

2. Assignor warrants, represents and agrees as follows:

A. The Ground Lease Agreement is genuine, enforceable, not subject to any defense or right of set off and the only lease executed with respect to the property described in the Ground Lease Agreement;

B. All statements and representations contained in the Ground Lease Agreement are true and accurate;

C. The property described in the Ground Lease Agreement has been delivered to, and accepted by, Lessee in condition satisfactory to Lessee;

D. That Assignor has title to the property subject to and will have title to the property to become subject to the Ground Lease Agreement free and clear of all liens, encumbrances and security interests other than the mortgage lien in favor of the Bridgeview Bank & Trust Company;

E. That except for the rental payments due for the first year payable under the Ground Lease Agreement which have been paid in advance ("Prepaid Rent"), Lessee has not prepaid any rental payments now due or to become due under the Ground Lease Agreement; and

F. That any action by Assignor or Assignee to enforce the terms of the Ground Lease Agreement is not subject to any defense, counterclaim or right of set off by Lessee.

3. With Lessee's knowledge and consent, Assignor agrees and acknowledges that Assignee shall have no obligation of any nature to Lessee arising under the Ground Lease Agreement or this Assignment other than those arising under the Recognition, Non-Disturbance & Attornment Agreement executed in connection herewith. With Lessee's knowledge and consent, Assignor further agrees that the Assignee shall have no obligation to perform any of the duties and responsibilities of the Assignor under the Ground Lease Agreement, and that Assignor will remain obligated to perform each and every provision assumed by it under the Ground Lease Agreement.

Assignor agrees to indemnify Assignee for and hold Assignee harmless from any and all liability arising out of Assignor's default in or under the terms of the Ground Lease Agreement.

4. Although it is the intention of the parties that this Assignment shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that so long as Assignor is not in default hereunder, under the Note or under any other instrument given to secure the repayment of the Note, Assignor shall have the privilege of collecting and retaining the rents accruing under the Ground Lease Agreement.

5. It is understood that, without releasing any rights of Assignee against Assignor, Assignee may, but is not obligated to, take any steps Assignee reasonably deems necessary to perfect, preserve or enforce any rights of Assignor or of Assignee against Lessee under the Ground Lease Agreement or any negotiable instrument given by Lessee to Assignor in payment of any obligation of Lessee under the Ground Lease Agreement. Assignor agrees to reimburse Assignee for any and all expenses incurred by Assignee, including reasonable attorneys' fees, in enforcing its rights and under the Ground Lease Agreement in the event of default by Lessee or by Assignor under the Ground Lease Agreement.

6. Assignor agrees that Assignee may, in Assignor's name, endorse all Note or remittances received from Lessee, and without notice to Assignor, and without affecting Assignor's liability in

any manner whatever, Assignee may release any and all rights against and grant extensions of time of payment to the Lessee.

7. Assignor subordinates to any rights Assignee may now or may hereafter have against Lessee under the Ground Lease Agreement, including any rights Assignor may now or afterwards have or acquire by reason of payment by Assignor to Assignee of any rental payments under the Ground Lease Agreement or otherwise except for the Prepaid Rent.

8. Assignor shall have no authority, without Assignee's prior written consent which consent will not be unreasonably withheld, to accept collections, to modify the terms of the Ground Lease Agreement or prior to the expiration of the fixed term of the Ground Lease Agreement, to repossess or consent to the return of the property described in the Ground Lease Agreement. It is understood that all amounts collected by Assignee under the Ground Lease Agreement and under this Assignment will be applied toward payment of the obligations of the undersigned to Assignee.

9. In addition to the rights, options and remedies to which Assignee is entitled under the Ground Lease Agreement, Assignee shall have all rights, options, and remedies as against Assignor provided by the Illinois Uniform Commercial Code.

10. Assignor agrees to join with Assignee in executing such financing statements or other instruments with respect to this assignment of the Ground Lease Agreement and with respect to the property subject to the Ground Lease Agreement as Assignee may from time to time reasonably require to perfect its rights in the

property subject to the Ground Lease Agreement in Illinois or any other state in which the property subject to the Ground Lease Agreement may be kept or titled, and Assignor will pay, or reimburse Assignee, for all costs of filing any financing, continuation or termination statements, or other documents so required.

This Assignment is executed by American National Bank and Trust of Chicago, as Trustee, under Trust Agreement dated


, 1997 and known as Trust No. 600217-06 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 the named bank or trust company are undertaken by it solely as trustee under said trust agreement, and not individually, and no personal liability shall be asserted or be enforceable against said named bank or trust company by reason of any of the terms, provisions, stipulations, covenants and conditions contained in this instrument. In addition, no personal liability shall be asserted or enforceable against Patricia A. Brusa, individually or in her capacity as general partner of the Fairlawn Limited Partnership by reason of any of the terms, provisions, stipulations, covenants and conditions contained in this instrument.

Executed this 18th day of December, 1997.

[SIGNATURE PAGE FOLLOWS]

ACKNOWLEDGED AND AGREED TO BY
ASSIGNOR:

AMERICAN NATIONAL BANK AND TRUST OF
CHICAGO, as Trustee, under Trust
Agreement dated July 1, 1997
and known as Trust No. 600217-06,
and not personally.

By: 
JOSEPH E. SOCHACKI
TRUST OFFICER
Its: _____

WITNESS:

Attestation not required by American National
Bank and Trust Company of Chicago Bylaws

ACKNOWLEDGED AND AGREED TO BY
LESSEE:


THORNTON OIL CORPORATION

By: _____
Its: _____

WITNESS:

ACCEPTED BY ASSIGNEE:

BRIDGEVIEW BANK & TRUST COMPANY

By: 
Its: EXP

WITNESS:

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY**ACKNOWLEDGED AND AGREED TO BY
ASSIGNOR:****AMERICAN NATIONAL BANK AND TRUST OF
CHICAGO, as Trustee, under Trust
Agreement dated July 1, 1997
and known as Trust No. 600217-06,
and not personally**By: JOSEPH F. BOCHACKI
TRUST OFFICER

Its: _____


WITNESS:Attestation not required by American National
Bank and Trust Company of Chicago Bylaws**ACKNOWLEDGED AND AGREED TO BY
LESSEE:****THORNTON OIL CORPORATION**By: D. A. B. - SIts: General Counsel**WITNESS:**
Michael L. Hill**ACCEPTED BY ASSIGNEE:****BRIDGEVIEW BANK & TRUST COMPANY**By: Its: CV**WITNESS:**_____

EXHIBIT A

LEGAL DESCRIPTION

LOTS 1 AND 4 IN MELVIN'S SUBDIVISION OF PART OF THE NORTH 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 2, TOWNSHIP 40 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 16, 1975 AS DOCUMENT NO. R75-02474, IN DUPAGE COUNTY, ILLINOIS

PIN: 03-02-203-016

Commonly known as: 2310 South York Road, Elk Grove Village,
Illinois