

ASSIGNMENT OF LEASES
AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made as of this 7th day of April, 1998.

ASSIGNOR: David Frej and Nancy Frej, his wife, jointly and severally, ("Assignor")

ASSIGNEE: Fern Bogot and Miriam T. Bogot a/t of the Miriam T. Bogot Trust, as tenants in common and not as joint tenants, each as to an undivided one half interest ("Assignee").

Article I
Recitals

1.1 Assignor is the owner of certain real property located in Chicago, Cook County, Illinois and more fully described in Exhibit "A" to this Assignment (the "Property").

1.2 Assignee has agreed to loan to Assignor, and Assignor has agreed to borrow from Assignee, the sum of \$198,750.00 (the "Loan") for the purpose of providing financing on the Property.

1.3 The Loan is evidenced by a Promissory Note of even date herewith (the "Note"), and is secured by a Trust Deed of even date herewith (the "Mortgage") covering the Property, and other documents and instruments evidencing and/or securing the Loan (collectively, the "Loan Documents").

1.4 This Assignment by Assignor to Assignee is given to further secure Assignor's obligations to Assignee under the Note, the Mortgage and the Loan Documents.

PREPARED BY AND AFTER
RECORDING RETURN TO:

Andrew J. Annes, Esquire
Schenk, Annes, Brookman & Tepper, Ltd.
311 South Wacker Drive, Suite 5125
Chicago, Illinois 60606-6622

PROPERTY IDENTIFICATION NUMBERS:

17-08-497-015

ADDRESS OF PROPERTY:

1142 West Randolph
Chicago, Illinois

772105600

Article 2 Definitions

The following terms shall have the following meanings herein, unless the context or use requires a different meaning, and such definitions shall be read in the singular or plural as the context requires.

2.1 *Lease or Leases*: All of the leases, tenancies, licenses, and other agreements, written or otherwise, including all amendments, modifications, extensions, additions, renewals and replacements thereof, granting possession, use, or occupancy of the *Property*, or a portion thereof, to another, whether now existing or hereafter entered into, notwithstanding the fact that said agreements are not specifically identified herein.

2.2 *Rent or Rents*: All the rental income, revenues, issues, proceeds, profits, damages, awards, and payments now or hereafter due under the Leases. Without limiting the generality of the foregoing, Rents shall include all minimum rent, additional rent, percentage rent, deficiency rent, security deposits, liquidated damages, insurance proceeds, reimbursements, and payments and awards for damages.

2.3 *Indebtedness*: All or any part of outstanding and unpaid debt of *Assignor* to *Assignee* as evidenced by the *Note*, or that may otherwise be due from *Assignor* to *Assignee* under the terms of the *Mortgage*, the *Loan Documents* or this *Assignment*.

2.4 *Event of Default*: A default under Section 6.20 hereof, or an Event of Default as defined in the *Note*, *Mortgage* or *Loan Documents*.

2.5 *Property*: As previously defined, includes all improvements, buildings, structures, fixtures, amenities, and personal property, now or hereafter acquired, and now or hereafter located on the land (the "*Land*") described on annexed *Exhibit "A"* and used or intended to be used in connection with the use, occupation, or development thereof, and also all easements, rights of way, and appurtenances, now or hereafter existing acquired in connection with the *Land*.

2.6 *Note, Mortgage and Loan Documents*: As previously defined, includes all subsequent amendments, modifications, extensions, additions, renewals and replacements thereof.

Article 3 Assignment

3.1 For purposes of giving additional continuing security for repayment of the *Indebtedness*, *Assignor* hereby assigns to *Assignee* all of its right, title and interest in and to the *Leases* and *Rents*. This *Assignment* is a present assignment, effective immediately upon the execution and delivery hereof by *Assignor* and shall continue in effect until the *Indebtedness* is paid in full. However, so long as no *Event of Default* shall exist under the *Note*, the *Mortgage*, the *Loan Documents* or this *Assignment*, *Assignee* temporarily waives its right to collect the *Rent* and hereby

gives *Assignor* permission to collect the same. In consideration for the granting of said permission, *Assignor* agrees to use all Rents collected for purposes of making payments due on the Indebtedness, for paying all taxes and other charges that if not paid would become a lien against the *Property*, for paying all premiums on insurance policies covering the *Property* as they become due, and for satisfaction of all its obligations under the Leases, before using the same for any other purpose. This permission given *Assignor* to collect the Rents may be revoked by *Assignee* at any time, in its complete discretion, upon the occurrence of an Event of Default.

**Article 4
Warranties**

Assignor represents, warrants and covenants, and so long as the Indebtedness remains unpaid shall be deemed to continuously represent, warrant and covenant that:

4.1 *Legal Right and Authority:* *Assignor* has full legal right and authority to execute and deliver this *Assignment* to *Assignee*.

4.2 *Sole Owner:* *Assignor* is the sole owner of all the landlord's interest in the Leases.

4.3 *Undisclosed Leases:* As of the date hereof, *Assignor* has not entered into any lease for all or any part of the *Property*, except those previously disclosed to *Assignee* in writing, copies of which have been previously delivered to *Assignee*.

4.4 *Assignment:* *Assignor* has not previously assigned all or any part of the Leases or Rents, nor any right, title or interest therein.

4.5 *Execution and Delivery:* The *Note*, *Mortgage* and *Loan Documents* have been duly executed and delivered by *Assignor* to *Assignee*.

**Article 5
Covenants Of Assignor**

5.1 *Attorney-in-Fact:* *Assignee* is hereby appointed attorney-in-fact of *Assignor* with full power of substitution and with full power and authority to act in the name of *Assignor* with respect to the subject matter of this *Assignment*, including without limitation, anything relating to the Indebtedness or the *Property*. In connection therewith, in addition to other things deemed necessary by *Assignee* to effectuate the intent and object of this *Assignment*, upon the occurrence of an Event of Default, *Assignee* may, without limitation:

- (a) Demand, recover and receive the Rents, or any part thereof, from any person whomsoever;
- (b) Maintain any and all actions or proceedings to recover the Rents, enforce the Leases, or to remove tenants or occupants from the *Property*;

- (c) Perform such acts as may be required of *Assignor* by all Leases, any other tenancy of the *Property*, any other agreement affecting the *Property*, or any part thereof and this *Assignment*;
- (d) Lease the *Property*, or any part thereof, which is now or may become vacant, for such periods as *Assignee* may deem proper;
- (e) Perform such acts and execute and/or deliver all papers, leases, licenses, franchises and agreements that may be required in any action or proceeding affecting the *Property*, and in managing and operating the *Property*;
- (f) Pay out of the Rents, all sums deemed reasonably necessary by *Assignee* for general improvements, tenant improvements, protection, operation, business expense, leasing, managing (whether by retained agent or otherwise), or preservation of the *Property*, including, without limitation, payment of taxes, assessments, management fees, leasing commissions, utilities, liens, and insurance premiums, and all security, maintenance, and repair charges. If the Rents are not sufficient to cover such payments, together with sums due on the Indebtedness, *Assignor* will promptly reimburse *Assignee* to the extent thereof, together with the *Note* rate of interest thereon until reimbursed. The obligation by *Assignor* to pay such sums to *Assignee* shall be secured hereby. Nothing contained herein shall in any way obligate *Assignee* to pay any item listed in this subparagraph (f), to act in any manner on behalf of *Assignor*, or to relieve *Assignor* from its duty to perform according to the provisions of the Leases. This *Assignment* confers upon *Assignee* a power coupled with an interest and shall be irrevocable so long as the Indebtedness remains unpaid.

5.2 Duties and Obligations: *Assignor* will duly perform all the duties and comply with all the obligations, terms and conditions, required of it by the Leases.

5.3 Assignment and Prepayment: *Assignor* will not, without *Assignee's* written consent, otherwise assign the Leases or the Rents, nor any part thereof, nor accept prepayments or installments of same before they become due, except that *Assignor* may accept security deposits and one month's Rent, in advance, from tenants.

5.4 Additional Acts: *Assignor* will perform all reasonably necessary further acts to authorize payment of the Rents to *Assignee*, and will execute and deliver to *Assignee* any and all further instruments and perform all reasonably necessary acts reasonably requested by *Assignee* to effectuate the purposes of this *Assignment*.

5.5 Irrevocable Consent: *Assignor* irrevocably consents that any tenant, occupant, or other person in possession or occupancy of all or any part of the *Property* may completely rely upon *Assignee's* notice of *Assignor's* default hereunder and the right of *Assignee* to exercise its rights granted hereby without requirement on the part of such person to independently determine the actual existence of such default.

5.6 *Notice.* Assignor shall promptly give Assignee written notice of any default or proposed default under any Lease, and, in any event, shall give such notice in sufficient time to enable Assignee to cure the same prior to the tenant thereof having a right to terminate by reason of such default. Any new Lease shall contain a provision requiring the tenant thereunder to notify Assignee of any default by the landlord thereunder and granting Assignee an opportunity, for a reasonable time after such notice, to cure such default prior to any right accruing to the tenant to terminate such lease; provided, nothing herein shall be deemed to impose upon Assignee any obligation to cure said default, nor any liability for not taking action to cure the same.

5.7 *New Leases and Modification:* Assignor agrees not to enter into, terminate, alter, modify, default under, add to or amend any Lease in any material way, nor give or effect any waiver or concession thereof or thereunder, nor cancel or release any guarantor thereon, in whole or part, nor exercise any option under any Lease, nor, except to the extent provided for in Leases existing as of the date hereof, consent to the assignment of any Lease, or the subletting of the space covered thereby, nor allow any Lease to be merged with any other interest, nor accept the surrender of any Lease, or any of the *Property* covered thereby without the prior written consent of Assignee which consent shall not be unreasonably withheld or delayed.

5.8 *Surrender of Possession:* Upon the occurrence of an Event of Default, upon demand, Assignor shall surrender possession of the *Property* to Assignee. Upon entry, Assignee may exercise all or any of the rights and powers granted hereby, but no such entry by or on behalf of Assignee shall be deemed to constitute Assignee a "mortgagee in possession". If Assignor remains in possession of the *Property* after such default, its possession shall be as a tenant of Assignee; and Assignor agrees to pay to Assignee, in advance upon demand, a reasonable monthly rental for the *Property* or part thereof so occupied. This covenant shall, at the option of Assignee, become operative immediately upon the occurrence of an Event of Default, regardless of whether foreclosure proceedings have been instituted or application has been made for the appointment of a receiver.

5.9 *Copies:* Within five (5) days of Assignor's receipt of duly executed and delivered copies of the Leases, Assignor shall deliver true and complete copies of same to Assignee, and shall also within five (5) days of receipt of same, deliver true and complete copies of all executed amendments, renewals, replacements, modifications, additions, and extensions of the Leases. Assignor shall also deliver to Assignee, within five (5) days of receipt of same, true and complete copies of all notices received from a tenant or occupant of the *Property* that may materially affect a Lease.

5.10 *Management and Enforcement:* Assignor agrees to manage the *Property* in accordance with sound business practices, including, without limitation, enforcing the Leases and the obligations of any guarantor thereon, to do or cause to be done all of the landlord's obligations thereunder, to do or cause to be done any specific action required by Assignee with respect thereto in furtherance of this *Assignment*, and not to do nor cause to be done anything to impair the value of the Leases, or the *Property*, as security for the Indebtedness.

Article 6
Miscellaneous

6.1 *Claims Under Lease:* Assignee shall be deemed to be the creditor of all tenants under the Leases with respect to all Assignor's claims against such tenants for damages, and under the Leases; and Assignee shall have the right (but not the obligation) if an Event of Default hereunder exists to file said damage claim or claims under the Leases in all actions or proceedings involving or affecting such tenants, including, without limitation, actions or proceedings involving an assignment for the benefit of creditors, bankruptcy, reorganization, insolvency, dissolution and receivership. Assignor hereby assigns to Assignee all such claims for damages and claims under the Leases, and all money received as a result thereof. Assignor hereby irrevocably appoints Assignee its attorney-in-fact with full power of substitution, and with full power to make and file such claims, to appear in any such action or proceedings, and to collect all money resulting therefrom or awarded therein; provided, however, that Assignee shall exercise such power only after the occurrence of an Event of Default.

6.2 *Assignee's Obligation:* Notwithstanding any legal presumption or implication to the contrary, Assignee shall not be obligated by reason of its acceptance of this Assignment, nor by the collection of any Rent, to perform any obligation of Assignor as landlord under the Leases, nor shall Assignee be responsible for any act committed by Assignor, or any breach or failure to perform by Assignor with respect to a Lease; and Assignor hereby agrees to indemnify Assignee and save it harmless from and against all losses, liabilities, damages and expenses, including reasonable attorneys' fees, resulting from all claims made against Assignee which arise out of, from or in connection with the Leases, the Property, or this Assignment; provided, however, that the foregoing indemnity shall not apply with respect to any negligence or willful misconduct of Lender, its agents or employees occurring after Assignee obtains possession of the Property. However, Assignee may, at its sole option, and without further releasing Assignor from any obligation hereunder, or under the Leases, discharge any obligation which Assignor fails to discharge, including, without limitation, defending any legal action; and Assignor agrees to immediately pay, upon demand, all sums expended by Assignee in connection therewith, including Assignee's costs and expenses, including reasonable attorneys' fees, together with interest thereon at the rate provided for in the Note; and the amount of same shall be added to the Indebtedness. Neither the acceptance of this Assignment, nor the collection of Rent or other sums due or to become due under the Leases, shall constitute a waiver of any right of Assignee under the Note, Mortgage, or any other document or instrument pledging or granting a security instrument in property to secure payment of the Note and the performance of Assignor's obligations thereunder and under the Mortgage.

6.3 *Notice of Default:* Assignor hereby authorizes Assignee to give written notice of this Assignment at any time to the tenants under the Leases. All tenants are authorized and directed to pay Rent directly to Assignee upon receipt from Assignee of a statement that Assignor is in default hereunder, or under the Note, Mortgage or Loan Documents, accompanied by a demand for such payment, without any further proof of Assignor's default.

6.4 *Assignee's Liability:* Assignee's obligation as to any Rent actually collected shall be discharged by application of such Rent for the purposes described in this Assignment. Assignee shall

not be liable for uncollected Rents, nor for any claim for damages or setoff, arising out of *Assignee's* management of the *Property*, other than for damages arising from *Assignee's* negligence or willful misconduct. *Assignee* shall not be liable to any tenant for the return of any security deposit made under a Lease unless *Assignee* shall actually have received such security deposit from *Assignor* or such tenant.

6.5 *Waiver*: The failure on the part of *Assignee* to exercise any right hereunder shall not operate as a waiver thereof. The waiver of any provision herein by *Assignee*, or the consent to any departure from any such provision, including, without limitation, the exercise, from time to time, of any right hereunder by *Assignee* after the occurrence of an Event of Default and the waiver or curing of same, shall not be deemed a waiver of that or any other right at that time, nor a waiver of that or any other right subsequent thereto, but shall be applicable only in the specific instance or for the purpose for which such waiver or consent was given.

6.6 *Receiver in Foreclosure*: In the event that a receiver shall be appointed in a foreclosure action on the *Mortgage*, the rights and powers granted *Assignee* hereby shall inure to the benefit of such receiver; and shall be construed to be in addition to all rights and powers given receivers under the law of the jurisdiction where the *Property* is located.

6.7 *Taking of Possession and Collection*: The taking of possession and collection of Rent by *Assignee* pursuant hereto shall not be construed to be an affirmation of any Lease, and *Assignee*, or a purchaser at any foreclosure sale of the *Property* may, if otherwise entitled to do so, exercise the right to terminate any Lease as though such taking of possession and collection of Rent had not occurred.

6.8 *Extension on Indebtedness*: If, at any time or times, the time of payment of the Indebtedness, or any part thereof, is extended, if the *Note* is renewed, extended, modified or replaced, or if any security for the *Note* is released, *Assignor* and all other persons now or hereafter liable on the Indebtedness, or interested in the *Property*, shall be deemed to have consented to modification, replacement, or release, such extension, renewal, and their liability thereon, the lien hereof, and the rights created hereby shall continue in full force and effect.

6.9 *Severability*: If any obligation, term, or condition of this *Assignment* is deemed illegal or unenforceable, all other obligations, terms, and conditions, and the application thereof to all persons and circumstances subject hereto, shall remain unaffected to the extent permitted by law; and if application of any obligation, term, or condition to any person or circumstance is deemed illegal or unenforceable, the application of such obligation, term or condition to any other person or circumstance shall remain unaffected to the extent permitted by law.

6.10 *Recording Information*: *Assignee* is authorized to insert in executed copies of this *Assignment* and in any Uniform Commercial Code financing statement executed in connection herewith or with the Indebtedness, dates, Recorder's File and Instrument Numbers, and other recording information omitted therefrom, notwithstanding the fact that the same may not become available until after the date of the execution of this *Assignment*; and the Recorder of the County in

which the *Property* is located is authorized to enter a reference to the execution, existence and filing of this *Assignment* upon its records.

6.11 *Subordination*: *Assignee* may consent to the subordination of the *Leases* to its *Mortgage* and this *Assignment* without any further consent being necessary or required on the part of *Assignor*.

6.12 *Assignability*: This *Assignment* shall be binding upon *Assignor* and its successors and assigns, including any subsequent owner of the *Property*, and shall inure to the benefit of *Assignee* and its successors and assigns, including any *Assignee* of the *Note*, the *Mortgage*, and the *Loan Documents*. In furtherance and not in limitation of the foregoing, *Assignee*, as the holder of the *Mortgage*, shall have the right to assign all of *Assignee's* right, title and interest in and to the *Leases* to any subsequent holder of the *Mortgage*, and also to assign the same to any person acquiring title to the *Property* through foreclosure or otherwise.

6.13 *Headings*: Captions and titles used in this *Assignment* have been inserted for convenience only, and shall not be deemed or construed to have any effect upon the scope or meaning of any of the terms, obligations, or conditions of this *Assignment*.

6.14 *Validity*: The affidavit, certificate, letter or statement of any officer, agent or attorney of *Assignee* showing that any part of the indebtedness remains unpaid shall be conclusive evidence to any third party of the validity, effectiveness and continuing force of this *Assignment*, and any person may and is hereby authorized to rely thereon. *Assignor* hereby authorizes and directs any tenant, occupant or user of the *Property*, or any part thereof, upon receipt from *Assignee* of written notice to the effect that *Assignee* is then the holder of the *Note* and that a default exists thereunder, or under the *Mortgage*, to perform this *Assignment* in accordance with the terms hereof for the benefit of *Assignee*.

6.15 *Discharge*: This *Assignment* is given for the purpose of securing *Assignor's* performance of all its obligations under the *Note*, the *Mortgage* and the *Loan Documents*; and accordingly, upon payment in full of the indebtedness and the discharge of all *Assignor's* other obligations under the *Note*, the *Mortgage* and the *Loan Documents*, as evidenced by the recording of an instrument formally satisfying the *Mortgage* without the consequent recording of another mortgage covering the *Property* in favor of *Assignee*, this *Assignment* shall automatically become null and void.

6.16 *Third Party Reliance*: Any third party may rely upon this *Assignment* upon presentation to them of a copy or facsimile thereof, certified to be an exact, complete, and true copy by an attorney duly admitted to practice law in the jurisdiction where the *Property* is located; and no revocation or termination hereof, by operation of law or otherwise, shall be effective as to such third party, and such third party may rely fully and completely hereon, unless and until written notice of such revocation or termination is actually received by such third party from *Assignee*. Upon satisfaction of the *Loan* in full, *Assignee* will release this *Assignment*.

6.17 *Waiver by Assignee:* This *Assignment* may not be waived, modified, altered, or amended in any manner or form, except by an agreement, in writing, executed by a duly authorized officer of *Assignee*, which writing shall make specific reference to this *Assignment*.

6.18 *Gender and Number:* Relative words and any reference to *Assignor* and *Assignee* shall be read in the singular or plural when appropriate, and words of masculine or neuter import shall be read as if written in the masculine, feminine, or neuter when appropriate. If more than one party joins in the execution hereof, the covenants and agreements contained herein shall be the joint and several obligation of each of them.

6.19 *Notices:*

All notices or other communications required or permitted hereunder shall be (a) in writing and shall be deemed to be given when either (i) delivered in person, (ii) three business days after deposit in a regularly maintained receptacle of the United States mail as registered or certified mail, postage prepaid, (iii) when received if sent by private courier service, or (iv) on the day on which the party to whom such notice is addressed refuses delivery by mail or by private courier service, and (b) addressed as follows:

If to *Assignee:* Fern Bogot and Miriam T. Bogot
a/t of the Miriam T. Bogot Trust

With copy to: Andrew J. Annes, Esquire
Schenk, Annes, Brookman & Cropper, Ltd.
311 South Wacker Drive, Suite 5125
Chicago, Illinois 60606-6622

If to *Assignor:* David Frej and Nancy Frej

With copy to: James E. Lenz, Esquire
Ungaretti & Harris
3500 Three First National Plaza
Chicago, Illinois 60602

or to each such party at such other addresses as such party may designate in a written notice to the other parties.

6.20 *Defaults:* Failure of the *Assignor* to make any payment due hereunder within five (5) days after the date when due or to cure any other default hereunder within thirty (30) days of written notice thereof (provided that if such default cannot be cured within thirty (30) days and *Assignor*

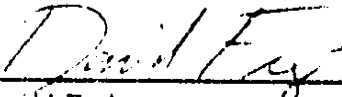
promptly commences and thereafter diligently pursues the cure thereof, such time period shall be extended for an additional thirty (30) days) shall constitute an Event of Default hereunder.

6.21 *No Extension of Indebtedness:* Nothing contained in this *Assignment* shall operate as or be deemed to be an extension of time for payment of the Indebtedness, or in any way affect any of *Assignee's* rights, powers or remedies to enforce payment of the Indebtedness, or any part thereof.

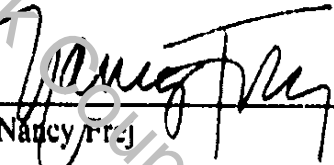
6.22 *Cumulative Remedies and Rights:* All rights and remedies of *Assignee* hereunder are cumulative.

6.23 *Successors and Assigns:* This *Assignment* shall be binding upon *Assignor*, its successors and assigns, and shall inure to the benefit of *Assignee*, its successors and assigns.

IN WITNESS WHEREOF, *Assignor* has executed this *Assignment* the day and year first set forth above.



David Frej



Nancy Frej

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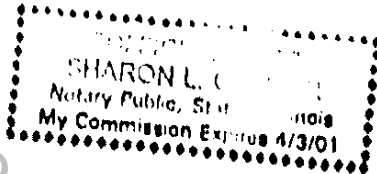
State of Illinois, Cook County ss:

I, Sharon L. [unclear] a Notary Public in and for said County and State, do hereby certify that [unclear] personally known to me to be the same person(s) whose name(s) [unclear] subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that [unclear] signed and delivered the said instrument as [unclear] free and voluntary act, for the purposes and therein set forth.

Given under my hand and official seal, this 7th day of [unclear], 1978.

My commission expires:

[Signature] Notary Public



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98275923

EXHIBIT "A"

LEGAL DESCRIPTION

LOT 27 EXCEPT THE WEST 15.15 FEET THEREOF AND LOT 28 AND THE WEST 3.60 FEET OF LOT 29 (EXCEPT PART OF SAID LOTS TAKEN FOR WIDENING OF WEST RANDOLPH STREET) IN BLOCK 29 IN THE SUBDIVISION OF BLOCKS 7, 11, 13, 29, 47 AND 53 OF CARPENTER'S ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH EAST QUARTER OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Subject to covenants, conditions and restrictions of record; private, public and utility easements and roads and highways, if any; party wall rights and agreements, if any; general taxes for the year 1997 and subsequent years

Property of Cook County Clerk's Office