

Prepared By: James M. Crowley  
Crowley & Lamb, P.C.  
350 North LaSalle Street, Suite 900  
Chicago, Illinois 60610

Mail to:  
The Private Bank and Trust Company  
10 North Dearborn  
Chicago, Illinois 60602  
Attn: Daniel C. Siadak,  
Managing Director

2006 075200

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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MICHAEL A. BROWN  
RECORDER

06-0393 JUNIOR ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT, made as of June 28, 2006, by CYPRESS POINT, LLC, an Indiana limited liability company and CYPRESS POINT, II, LLC, an Indiana limited liability company, each having a mailing address at 3051 Forest View Trail, Crete, Illinois 60417 ("Assignor") in favor of THE PRIVATE BANK AND TRUST COMPANY, having an address at 10 North Dearborn, Chicago, Illinois 60602 (the "Assignee").

WITNESSETH:

FOR VALUE RECEIVED, Assignor does hereby SELL, ASSIGN, TRANSFER, SET OVER and DELIVER unto the Assignee, all leases and tenancies of all or any portion of the premises situated in the City of Crown Point, County of Lake, State of Indiana, and more particularly described in Exhibit A attached hereto and made a part hereof, together with the buildings and improvements thereon (collectively called "Premises");

TOGETHER with any and all extensions and renewals of such leases, and any and all other and further leases, licenses, concession contracts and other agreements granting a right or privilege of use or occupancy, whether written or oral (including subleases and tenancies following attornment) of all or any part of the Premises (collectively, "the Leases");

TOGETHER with any and all guarantees of payment or performance by any of the lessees under any of the Leases; and

TOGETHER with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues and profits now due or which may become due or to which Assignor may now or shall hereafter (including during the period of redemption, if any) become entitled or may demand or claim (all such moneys, rights and claims described in this paragraph are hereafter collectively called "Rents"), arising or issuing from or out of the Leases or from or out of the Premises or any part thereof, including, without limitation: minimum rents, additional rents, percentage rents, parking, maintenance, operation, tax and insurance contributions, proceeds of sale of electricity, gas, chilled and heated water and other utilities and services, deficiency rents and liquidated damages following default, royalties, the premium payable by any lessee upon the exercise of a cancellation privilege originally provided in any of the Leases, and, except as may be otherwise provided for in the Loan Documents (as defined

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below), all proceeds payable under any policy of insurance for loss of Rents, together with any and all rights and claims of any kind which Assignor may have against any lessee under such Leases or any subtenants or occupants of the Premises, it being the intention of Assignor and Assignee that this Assignment be treated and construed as an absolute assignment and not an assignment for additional security only;

TO HAVE AND TO HOLD the same unto the Assignee, its successors and assigns forever, or for such shorter period as hereinafter may be indicated.

FOR THE PURPOSE OF SECURING the payment of the indebtedness in the original principal amount of THREE MILLION SEVEN HUNDRED THOUSAND AND NO/100THS DOLLARS (\$3,700,000.00) as evidenced by a Promissory Note, of even date herewith, executed and delivered by Blago Kozul in favor of Assignee, as the same may be amended, extended, supplemented, modified and/or renewed, and all replacements and substitutions therefor (alternatively and collectively, the "Note"), as well as the payment, observance, performance and discharge of all other obligations, covenants, conditions and warranties contained in the Junior Mortgage and Security Agreement covering the Premises and securing the Note and a certain Loan Agreement, executed and delivered by Blago Kozul in favor of Assignee, to be recorded concurrently herewith in the Official Records of Deeds of Cook County, Illinois, and any amendments, modifications, extensions, supplements and/or consolidations thereof (the "Mortgage") and all of the other Loan Documents (as defined in the Mortgage).

TO PROTECT THE SECURITY OF THIS ASSIGNMENT, IT IS COVENANTED AND AGREED AS FOLLOWS:

1. Assignor's Warranties. Assignor represents and warrants that (a) subject to the interest of South Shore Bank, Assignor is the owner in fee simple of the Premises, and has good title to the Leases and Rents hereby assigned and good right to assign the same, and that no other person or entity has any right, title or interest therein; (b) Assignor has performed all of the terms, covenants, conditions and warranties of the Leases on Assignor's part to be kept, observed and performed; (c) the Leases are valid and unmodified except as indicated herein and in full force and effect; (d) Assignor has not previously sold, assigned, transferred, mortgaged or pledged the Leases or the Rents, whether now due or hereafter to become due except as otherwise disclosed to Assignee in writing or as recorded with the County Recorder's office in which the Premises is located; (e) none of the Rents due for any period subsequent to the month in which this Assignment is made have been collected by Assignor, and that payment of any of such Rents has not otherwise been anticipated, waived, released, discounted, setoff, or otherwise discharged or compromised by Assignor, nor does Assignor have knowledge thereof; (f) Assignor has not received any funds or deposits from any lessee, other than security deposits pursuant to the terms of the applicable Leases, for which credit has not already been made on account of accrued Rents; and (g) to the knowledge of Assignor, neither Assignor nor any of the lessee(s) under the Leases is in default of any of the terms thereof.

2. Covenants of Assignor. Assignor covenants and agrees as follows: (a) to observe, perform and discharge, duly and punctually, all obligations, terms, covenants, conditions and warranties of the Loan Documents, and of the Leases, on the part of the Assignor to be kept, observed and performed, and to give prompt notice to Assignee of any failure on the part of Assignor to observe, perform and discharge the same; (b) upon Assignee's written request, to notify and direct in writing each and every present or future lessee or occupant of the Premises or any part thereof that any security or other deposit heretofore delivered to Assignor has been retained by Assignor or assigned and delivered to Assignee as the case may be; (c) enforce or secure in the name of Assignee the performance of each and every obligation, term, covenant, condition and agreement in the Leases to be performed by any lessee; (d) to appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties or liabilities of the Assignor and any lessee thereunder, and, upon request by Assignee, will do so in the name and on behalf of the Assignee but at the expense of the Assignor, and to pay all reasonable costs and expenses of the Assignee, including reasonable attorney's fees to the fullest extent not prohibited by applicable law, in any action or proceeding in which the Assignee may appear.

3. Negative Covenants of Assignor. That Assignor further covenants and agrees as follows: (a) not to receive or collect any Rents from any present lessee of the Premises or any part thereof in advance of the rent requirement set forth in such lessee's Lease, or from any future lessee more than one (1) month in advance of the due date thereof (whether in cash or by promissory note); (b) not to waive, excuse, condone, discount, set-off, compromise, or in any manner release or discharge any lessee thereunder, of and from any obligations, covenants, conditions and agreements by the lessee to be kept, observed and performed, including the obligation to pay the Rents thereunder, in the manner and at the place and time specified therein, which would have a material adverse effect on cash flow of the Premises; (c) not to cancel, terminate or consent to any surrender of any of the Leases, nor materially (in Assignee's determination) modify or alter the terms thereof which would have a material adverse effect on cash flow of the Premises; . Any of the above acts done without the prior written consent of the Assignee shall be null and void at the option of Assignee.

4. Cross-Default. In the event any representation or warranty herein of Assignor shall be found to be untrue in any respect, or Assignor shall default in the observance or performance of any obligation, term, covenant, condition or warranty herein, then, in each such instance, the same shall be a default under this Assignment and under each of the other Loan Documents. In the event Assignor shall default in the observance or performance of any obligation, term, covenant, condition or warranty in any of the other Loan Documents, then, in each such instance, the same shall be deemed to be a default hereunder. Upon any default hereunder or under any of the Loan Documents, Assignee shall be entitled to declare all sums evidenced and/or secured thereby and hereby immediately due and payable, and to exercise any and all of the rights and remedies provided under this Assignment, any of the other Loan Documents, or by law or at equity.

5. License to Receive Rents. (a) Assignor has and hereby does authorize Assignee or its representatives to collect the Rents and hereby directs each tenant of the Property and lessee under the Leases to pay all Rent to Assignor or its representatives; provided, however, so



long as there shall exist no default or Event of Default by Assignor herein or in any of the other Loan Documents or the Leases, Assignor shall have the right, but limited as provided in this Assignment and in any of the other Loan Documents: (i) to collect upon, but not prior to one (1) month in advance of, the due date thereof, all of the Rents, and Assignor shall receive and apply such Rents, subject to any obligation to escrow same with Assignee, to the payment of taxes and assessments upon the Premises before penalty or interest are due thereon, to the cost of such insurance, maintenance and repairs as may be required by the terms of the Mortgage, to satisfy all of Assignor's obligations under the Leases, and pay interest and principal and other charges becoming due, as and when due and payable, under the Loan Documents; and (ii) to otherwise deal with, and enjoy the rights of the lessor under, the Leases.

(b) Upon receipt by Assignor of any written request of Assignee, stating that a default, following any applicable notice and expiration of any applicable cure period, or any "Event of Default", by Assignor exists in the payments due under, or in the performance of any of the terms, covenants or conditions of, the Loan Documents, the license referred to in Subsection 5(a) above shall thereupon be revoked by Assignee and Assignor hereby authorizes and directs any lessee under any of the Leases and any successor to all or any part of the interests of any such lessee to pay to Assignee the Rents due and to become due under the Leases. A demand on any lessee made by Assignee for such payment of Rents shall be sufficient warrant to the lessee to make future payments of Rents to Assignee without the necessity for further consent by the Assignor. Assignor agrees that (i) each lessee under any of the Leases shall have the right to rely upon any such request by Assignee, (ii) each lessee shall pay such Rents to Assignee without any obligation or right to inquire as to whether such default actually exists and notwithstanding any notice from or claim of Assignor to the contrary, and (iii) Assignor shall have no right to claim against any lessee for any such Rents so paid by the lessee to Assignee. Nothing contained herein shall be construed as constituting Assignee a "mortgagee in possession" in the absence of Assignee taking actual possession of the Premises pursuant to the provisions of the Mortgage. As between Assignee, Assignor and any person claiming through or under Assignor, this Assignment is intended to be absolute, unconditional and presently effective, and the provisions of this Subsection 5(b) regarding written demand for the Rents by Assignee to the lessees are intended solely for the benefit of such lessees and shall never inure to the benefit of Assignor or any person claiming through or under Borrower, other than a tenant who has not received such written demand.

6. Rights Upon Transfer. (a) Subject to the restrictions on the sale and conveyance of the Premises set forth in the Loan Documents, upon the sale or conveyance by Assignor, or its successors and assigns, of title to the Premises, all right, title, interest and powers granted to Assignor shall, unless amended or revoked as provided in the Loan Documents, automatically pass to and may be exercised by each such subsequent owner. At any time after a default or any "Event of Default" under this Assignment or under any of the Loan Documents or under any of the Leases, Assignee, at its option, shall have the right, power and authority to exercise and enforce any or all of the following rights and remedies: (i) to terminate the license granted above to Assignor to collect the Rents, and thereafter, without taking or being deemed to have taken possession, in Assignee's own name, to demand, collect, receive, sue for, attach and levy the Rents, to give proper receipts, releases and acquittances therefor, and after deducting all

reasonable costs and expenses of operation and collection, as determined by Assignee, including reasonable attorneys' fees to the fullest extent not prohibited by applicable law, to apply the net proceeds thereof, together with any funds of Assignor deposited with Assignee, upon any indebtedness secured hereby and in such order as Assignee may determine; (ii) to declare all sums secured hereby immediately due and payable and, at its option, exercise any and all of the rights and remedies contained in any of the Loan Documents; and (iii) without regard to the adequacy of the security, to the fullest extent not prohibited by applicable law, through any person or agent, then or thereafter (1) to enter upon, take possession of, manage and operate the Premises and the other Mortgaged Property (as defined in the Mortgage) or any part thereof; (2) make, modify or enforce any of the Leases; (3) remove and evict any lessee; (4) increase or decrease Rents; (5) decorate, clean and repair the Premises; and (6) otherwise do any act or incur any costs or expenses as Assignee shall deem proper to protect the security hereof, as fully and to the same extent as Assignor could do if in possession, and in such event to apply the Rents so collected to the operation and management of the Premises, but in such order as Assignee shall deem proper, and including the payment of reasonable management, brokerage and attorneys' fees to the fullest extent not prohibited by applicable law, payment of the indebtedness under the Loan Documents and maintenance, without interest, of a reserve for replacement.

(b) The acceptance by Assignee of this Assignment, and the exercise of any or all of the rights, powers, privileges and authority herein created, shall not, prior to entry upon and taking of possession of the Premises by Assignee, be deemed or construed to constitute Assignee a mortgagee in possession, or thereafter or at any time or in any event obligate Assignee (i) to appear in or defend any action or proceeding relating to any of the Leases or the Premises; (ii) to take any action hereunder; (iii) to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under any of the Leases; or (iv) to assume any obligation or responsibility for any security or other deposits delivered to Assignor by any of the lessee(s) thereunder and not assigned and delivered to Assignee. Assignee shall not be liable in any way for any injury or damage to person or property sustained by any person or entity in or about the Premises.

(c) Collection and application of the Rents by Assignor, or its agent, as set forth above, and/or the entry upon and taking possession of the Premises, shall not cure or waive any default, or waive, modify or affect any notice of default, under the Loan Documents or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by Assignee, once exercised, shall continue for so long as Assignee shall elect during the pendency of the default. If Assignee shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.

7. Assignee's Collection Authority. Upon a default, following any applicable notice and expiration of any applicable grace period, or any "Event of Default", by Assignor hereunder or under any of the other Loan Documents, Assignor hereby constitutes and irrevocably appoints Assignee, its successors and assigns, the true and lawful attorney-in-fact, coupled with an interest, of Assignor, and authorizes Assignee in the name, place and stead of Assignor, in the exercise of the powers provided and set forth in Subsection 5(b) and the remedies provided for in

clause (i) of subparagraph 6(a) above, but subject to and not in limitation of the provisions of Subsection 5(b) hereof or the absolute assignment of the Rents made hereby, to demand, sue for, attach, levy, recover and receive any premium or penalty payable upon the exercise, by any lessee under any of the Leases, of a privilege of cancellation provided in any of the Leases, and to give proper receipts, releases and acquittances therefor, and, after deducting expenses of collection, to apply the net proceeds as a credit upon any portion, as selected by Assignee, of the indebtedness evidenced or secured by the Loan Documents, notwithstanding that the amount owing thereunder may not then be due and payable or that the indebtedness is otherwise adequately secured. Assignor hereby authorizes and directs any such lessee to deliver such payment to Assignee in accordance with the foregoing, and hereby ratifies and confirms all actions whatsoever that its attorney, the Assignee, shall do or cause to be done by virtue of the powers granted hereby. The foregoing appointment shall be continuing, and such rights, powers and privileges shall be exclusive in Assignee, its successors and assigns, so long as any part of the indebtedness secured hereby shall remain unpaid.

8. Assignee's Subordination Authority. Assignor hereby constitutes and irrevocably appoints Assignee, its successors and assigns, the true and lawful attorney-in-fact, coupled with an interest, of Assignor and in the name, place and stead of Assignor, at any time and from time to time, to subject and subordinate any of the Leases to the Mortgage, or to request or require such subordination of the lessee as the case may be, to the extent Assignor would have the right, power or authority so to do. This appointment is to be continuing and these rights, powers and privileges shall be exclusive in Assignee, its successors and assigns, so long as the indebtedness secured hereby remains unpaid. Assignor hereby warrants that Assignor has not, at any time prior to the date hereof, exercised any such right, and covenants not to exercise any such right, to so subordinate any of such Leases to any other mortgage or lien except only those which exist under this Assignment or any of the other Loan Documents.

9. Indemnification. Assignor hereby indemnifies Assignee and agrees to defend and hold Assignee harmless from and against any and all liability, loss, damage or expense which Assignee may incur under or by reason of this Assignment, or for any action taken by the Assignee as contemplated herein, (other than Assignee's negligence or willful misconduct) or by reason or in defense of any and all claims and demands whatsoever which may be asserted against Assignee arising out of any of the Leases, including, without limitation, any claim by any lessee of credit for rental paid to and received by Assignor but not delivered to Assignee for any period under any of the Leases more than one (1) month in advance of the due date thereof. Should Assignee incur any such liability, loss, damage or expense, the amount thereof (including attorneys' fees to the fullest extent not prohibited by applicable law), with interest thereon at the Default Rate (as defined in the Note), shall be payable by Assignor immediately without demand, and shall be secured hereby and by the other Loan Documents.

10. Lease Copies and Further Assurances. Until the indebtedness secured by the Loan Documents is paid in full, Assignor, upon written request of Assignee, will deliver to the Assignee photocopies certified by Assignor as true, correct and complete, of executed originals of (a) any and all existing Leases, and (b) all other and future Leases upon all or any part of the Premises. Upon request of Assignee, Assignor will specifically transfer and assign to Assignee



such other and future Leases upon the same terms and conditions as herein contained. Assignor hereby covenants and agrees to make, execute and deliver to Assignee, upon demand and at any time or times, any and all further assignments and other instruments as Assignee may determine for carrying out the purposes and intent of this Assignment.

11. Non-Waiver. The failure of Assignee to avail itself of any of the terms, covenants and conditions of this Assignment for any period of time or at any time or times, shall not be construed or deemed to be a waiver of any such right, an amendment to any of the Loan Documents, or an estoppel against Assignee in any respect, and nothing herein contained nor anything done or omitted to be done by Assignee pursuant hereto shall be deemed a waiver by Assignee of any of its rights and remedies under the Loan Documents or under the laws of the State of Illinois. The right of the Assignee to collect the indebtedness and to enforce any other security therefor may be exercised by Assignee, either prior to, simultaneously with, or subsequent to any action taken hereunder.

12. Non-Merger. So long as any of the indebtedness evidenced or secured by the Loan Documents shall remain unpaid, unless the Assignee shall otherwise consent in writing, the fee title and the leasehold estate(s) on the Premises shall not merge, but shall always be kept separate and distinct, notwithstanding the union of both such estates in the Assignor, any lessee or a third party by purchase or otherwise.

13. Defeasance. Upon payment in full of the unpaid balance of the principal, interest, advances and other charges evidenced or secured by the Loan Documents, this Assignment shall become void and of no effect, and all the Leases shall be immediately and automatically revested, reconveyed and released to Assignor and this Assignment shall be released of record by Assignee, at the cost and expense of Assignor. Upon demand from Assignor in such event, Assignee, its successors or assigns, shall mark this Assignment as void and paid in full, satisfied and discharged and return this Assignment to the Assignor; provided, however, that an affidavit, certificate, letter or statement of Assignee showing any part of the indebtedness remaining unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment, and any person or entity may and is hereby authorized to rely thereon.

14. Notices. Any notice required hereunder shall be in writing, and shall be given in accordance with the requirements of, and to the addresses, as set forth in Paragraph 28 of the Mortgage.

15. Binding Effect. The terms, covenants, conditions and warranties contained herein and the powers granted hereby shall run with the land, shall inure to the benefit of and bind all parties hereto and their respective heirs, executors, administrators, successors and assigns, and all lessees, subtenants, assigns, and all subsequent owners of the Premises, subject however to the terms of Paragraph 6 above, and all subsequent holders of the Loan Documents.

16. Miscellaneous. The captions and headings in this instrument are inserted only as a matter of convenience and for reference, and they in no way define, limit or describe the scope of this instrument or the intent of any provision thereof. Whenever the context so requires, the

masculine gender shall include the feminine and/or neuter and the singular number shall include the plural and conversely in each case.

ASSIGNOR HEREBY, AND ASSIGNEE BY ITS ACCEPTANCE HEREOF, EACH WAIVES THE RIGHT OF A JURY TRIAL IN EACH AND EVERY ACTION ON THIS ASSIGNMENT OF LEASES AND RENTS OR ANY OF THE OTHER LOAN DOCUMENTS, IT BEING ACKNOWLEDGED AND AGREED THAT ANY ISSUES OF FACT IN ANY SUCH ACTION ARE MORE APPROPRIATELY DETERMINED BY A JUDGE SITTING WITHOUT A JURY; FURTHER ASSIGNOR HEREBY CONSENTS AND SUBJECTS ITSELF TO THE JURISDICTION OF COURTS OF THE STATE OF INDIANA AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TO THE VENUE OF SUCH COURTS IN THE COUNTY IN WHICH THE PREMISES ARE LOCATED.

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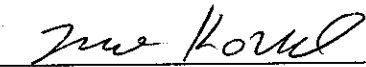
IN WITNESS WHEREOF, this Assignment of Leases and Rents has been duly executed by the Assignor as of the date first above written.

ASSIGNOR:

CYPRESS POINT, LLC, an Indiana limited liability company

By:   
Blago Kozul, Its Manager

CYPRESS POINT, II, LLC, an Indiana limited liability company

By:   
Zora Kozul, Its Manager



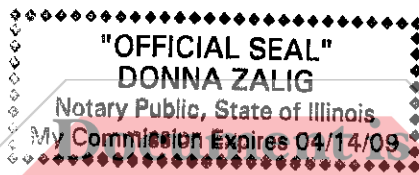
STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, Donna Zalig, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Zora Kozul, the manager of CYPRESS POINT II, LLC, an Indiana limited liability company, 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 and as the free and voluntary act of CYPRESS POINT II, LLC, an Indiana limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29<sup>th</sup> day of June, 2006.

Donna Zalig  
Notary Public

My Commission Expires \_\_\_\_\_



STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

**NOT OFFICIAL!**

**This Document is the property of the Lake County Recorder!**

I, Donna Zalig, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Blago Kozul, the manager of CYPRESS POINT, LLC, an Indiana limited liability company, 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 and as the free and voluntary act of CYPRESS POINT, LLC, an Indiana limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29<sup>th</sup> day of June, 2006.

Donna Zalig  
Notary Public

My Commission Expires \_\_\_\_\_

I affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law

Wendy S. French  
Wendy S. French

Prepared by: James M. Crowley  
"OFFICIAL SEAL"  
DONNA ZALIG  
Notary Public, State of Illinois  
My Commission Expires 04/14/09

EXHIBIT A

LEGAL DESCRIPTION

LOTS "A" AND "B" HIGH MEADOWS, IN THE CITY OF CROWN POINT, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 44, PAGE 90 IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA, BEING A RESUBDIVISION OF ALL OF HIGH MEADOWS UNIT NO. 1 AND A SUBDIVISION OF PART OF THE NORTHWEST QUARTER OF SECTION 16, TOWNSHIP 34 NORTH, RANGE 8 WEST OF THE 2<sup>ND</sup> P.M. IN LAKE COUNTY, INDIANA

P.I.N. 23-08-0410-0045

COMMONLY KNOWN AS: 930 CYPRESS POINTE, CROWN POINTE, INDIANA



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