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COLLATERAL ASSIGNMENT OF LEASE AND RENTALS

COLLATERAL ASSIGNMENT OF LEASE AND RENTALS, dated as of May 1, 1980, by and between D & S Partnership, an Indiana general partnership ("Assignor"), and First National Bank of East Chicago, Indiana, a national banking association with its principal banking offices at East Chicago, Indiana, as Trustee ("Trustee"), pursuant to the Mortgage and Indenture dated as of the date hereof ("Indenture"), among the Town of Merrillville ("Issuer"), Assignor and Trustee.

The Assignor and Merrillville Ace Hardware, Inc., an Indiana corporation ("Lessee"), have entered into two Lease Agreements dated as of May 1, 1980, ("Leases"), providing for the leasing by the Assignor to the Lessee of certain real estate, and the improvements thereon and certain equipment therein ("Project").

The Assignor desires to finance a portion or all of the cost of the Project by borrowing from the Issuer, pursuant to the Loan Agreement dated as of the date hereof ("Loan Agreement") between the Issuer and the Assignor, the proceeds of economic development revenue bonds issued by the Issuer pursuant to the Indenture. Such borrowings (hereinafter collectively called the "Loan"), are to be evidenced by a promissory note of the Assignor (hereinafter called the "Note"), payable to the Issuer and endorsed thereby to the Trustee. The obligations of the Assignor arising under the Loan Agreement, the Note and this Assignment are hereinafter collectively called the "Liabilities".

NOW, THEREFORE, to induce the Issuer to enter into the Loan Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Assignor agrees as follows:

1. As security for the payment and performance of the Liabilities, the Assignor hereby assigns, transfers and sets over unto the Trustee all the Assignor's right, title and interests, as lessor under the Leases, together with all rights, powers and privileges and other benefits of the Assignor, as lessor under the Leases, including without limitation, the immediate right to receive and collect all Basic Rentals payable to or receivable by the Assignor under or pursuant to the provisions of the Leases, and the right to make all waivers and agreement, to give all notices, consents and releases, to take all action upon the happening of a default under the Leases, and to do any and all other things whatsoever which the Assignor, as lessor, is or may become entitled to do under the

STATE OF INDIANA
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Leases. In furtherance of the foregoing Assignment, the Assignor hereby irrevocably authorizes and empowers the Trustee in its own name, or in the name of its nominee, or in the name of the Assignor, or as its attorney, to ask, demand, sue for, collect and receive any and all Basic Rentals to which the Trustee is or may become entitled under the Leases, and to enforce compliance by the Lessee with all the terms and provisions of the Leases.

2. The Assignment made hereby is executed only as security and, therefore, the execution and delivery of this Assignment shall not subject the Trustee to, or transfer or pass, or in any way affect or modify the liability of the Assignor under the Leases, it being understood and agreed that notwithstanding such Assignment, or any subsequent assignment, all obligations of the Assignor to the Lessee under the Leases shall be and remain enforceable by the Lessee, its successors and assigns against, and only against, the Assignor.

3. The Assignor covenants and agrees that it will perform all of its obligations to be performed under the terms of the Leases, and hereby irrevocably authorizes and empowers the Trustee, in its own name or in the name of its nominee, or in the name of the Assignor as its attorney on the happening of any failure by the Assignor to perform, or cause to be performed, any such obligation, all at the Assignor's expense.

4. Upon the full discharge and satisfaction of the Liabilities, the Assignment made hereby and all rights herein assigned to the Trustee shall cease and terminate, and all estate, right, title and interest of the Trustee in and to the Leases shall revert to the Assignor.

5. The Assignor warrants and covenants that: (a) the execution and delivery by the Assignor of the Leases, the Loan Agreement, this Assignment, the Indenture, and the Note are (or, upon their execution and delivery in accordance with the Indenture, will be), and will remain, the valid and binding obligations of the Assignor in accordance with their terms; (b) the Assignor has not executed any other assignment of the Leases and its right to receive all payments of Basic Rental under the Leases is and will continue to be free and clear of any and all liens, agreements or encumbrances (except this Assignment), created or suffered by any act or omission on the part of the Assignor (other than any act or omission in respect of which the Lessee has assumed responsibility under the Leases), and the Assignor has received no advance Basic Rental payments under the Leases; (c) notwithstanding this Assignment, the Assignor will conform and comply with each and all of the

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covenants and conditions in the Leases set forth to be complied with by it; and (d) to the knowledge of the Assignor, it has performed all obligations on its part to be performed under the Leases on or prior to the date hereof, and there has not occurred on or prior to the date hereof any default under the Leases.

6. The Assignor covenants and agrees with the Trustee that any suit, proceeding or action brought by the Trustee under the Leases for any installment of, or interest on, any Basic Rental payment or other sum owing thereunder, or to enforce any provisions of such Leases, the Assignor will save, indemnify and keep the Trustee harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim or recoupment whatsoever of the Lessee thereunder or its successors, arising out of a breach by the Assignor of any obligation under the Leases or arising out of any other indebtedness or liability at any time owing to the Lessee or its successors from the Assignor. Any and all such obligations of the Assignor shall be and remain enforceable against, and only against, the Assignor and shall not be enforceable against the Trustee or any party or parties in whom any of the rights of the Assignor under the Leases shall vest by reason of the successive assignments or transfers.

7. The Assignor will, from time to time, execute all such financing statements and supplemental instruments reasonably requested by the Trustee in order to confirm or further assure the Assignment made hereby and the provisions hereof.

8. The Trustee may assign all or any of its rights under the Leases, including the right to receive any payments of Basic Rental due or to become due to it from the Lessee thereunder. In the event of any such assignment and such subsequent or successive assignments, assignee or assignees shall, to the extent of such assignment, enjoy all the rights and privileges and be subject to all the obligations of the Trustee hereunder.

9. The Assignor agrees that it will not, without the prior written consent of the Trustee, enter into any agreement amending, modifying or terminating the Leases, and that any attempted amendment, modification or termination thereof without such consent shall be void.

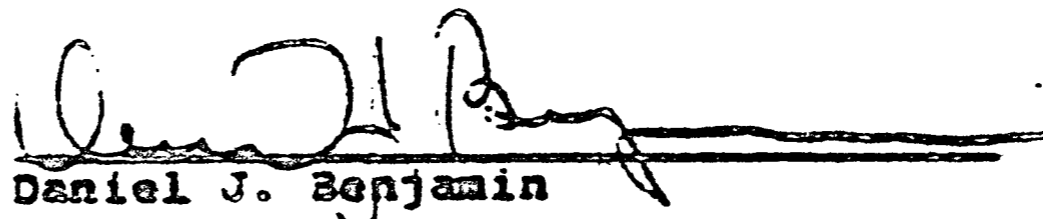
10. This Assignment shall be governed by the laws of the State of Indiana.

11. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

12. The Assignor shall cause copies of all notices in connection with the Leases to be promptly delivered to the Trustee at 720 West Chicago Avenue, East Chicago, Indiana 46312, or at such other address as the Trustee shall designate.

IN WITNESS WHEREOF, the Assignor has caused this instrument to be signed by its partners thereunto duly authorized as of the date first above written.

DANIEL J. BENJAMIN AND SAMSON A.
BENJAMIN d/b/a D & S PARTNERSHIP


Daniel J. Benjamin


Samson A. Benjamin

This instrument prepared by Philip C. Genetos, Attorney,
Ice Miller Donadio & Ryan, 111 Monument Circle, Indianapolis,
Indiana 46204 - (317) 635-1213.

RECORDED

LEGAL DESCRIPTION

Part of the West Half of the Northwest Quarter of Section 34, Township 35 North, Range 8 West of the 2nd P.M., described as follows:

Beginning at a point 200 feet South of the Northwest corner of said Section 34; thence South 200 feet; thence East 653.4 feet; thence North 200 feet; thence West 653.4 feet to the place of beginning, in Lake County, Indiana.