

RET. TO:

FIRST NATIONAL BANK
OF EAST CHICAGO, INDIANA
MAIN OFFICE
720 WEST CHICAGO AVENUE
EAST CHICAGO, INDIANA 46312

PIONEER NAT'L TITLE INS. CO.

661261

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT is between JAMES MERLO and BARBARA MERLO, residents of Calumet City, Illinois (jointly and severally the "Assignor") and FIRST NATIONAL BANK OF EAST CHICAGO, a national banking association with its principal office located in East Chicago, Indiana (the "Assignee"), as trustee under that certain Indenture of Trust, dated as of December 1, 1980 (the "Original Indenture"), as supplemented by that certain First Supplemental Indenture of Trust, dated as of February 1, 1982 (the "Supplemental Indenture"), between the Town of Munster, Indiana (the "Town") and the Assignee (which Original Indenture, as so supplemented, is referred to hereinafter as the "Indenture").

WITNESSETH:

WHEREAS, the Town has issued, sold and delivered its Economic Development Revenue Bond, Series A (James and Barbara Merlo Project) in the aggregate principal amount of \$680,000 (the "Series A Bond"), under and pursuant to the Original Indenture, and its Economic Development Revenue Bond, Series B (James and Barbara Merlo Project) in the aggregate principal amount of \$225,000 (the "Series B Bond") under and pursuant to the Supplemental Indenture; and

WHEREAS, the proceeds of the sale of said Series A Bond and Series B Bond (together the "Bonds") has been loaned to the Assignor pursuant to that certain Loan Agreement, dated as of December 1, 1980 (the "Original Loan Agreement") and pursuant to that certain First Supplemental Loan Agreement, dated as of February 1, 1982 (the "Supplemental Loan Agreement"), by and between the Town and the Assignor (which Original Loan Agreement, as so supplemented by the Supplemental Loan Agreement, is referred to hereinafter as the "Loan Agreement"); and

WHEREAS, the Assignor is justly indebted to the Town in the outstanding principal amount of ~~\$678,678.45~~ evidenced by that certain Series A Note of the Assignor, dated as of February 1, 1981 (the "Series A Note"), and in the principal amount of \$225,000 evidenced by that certain Series B Note of the Assignor, dated as of February 1, 1982 (the "Series B Note") (which Series A Note and Series B Note are referred to hereinafter as the "Notes"), which Notes have been assigned and pledged to the Assignee pursuant to the Indenture; and

WHEREAS, said Notes are secured by a certain Mortgage, dated as of February 1, 1981 (the "Original Mortgage") and by a certain First Supplemental Mortgage, dated as of February 1, 1982 (the "Supplemental Mortgage"), from the Assignor to the Assignee (which Original Mortgage, as so supplemented is referred to hereinafter as the "Mortgage").

NOW, THEREFORE, to better secure the Notes and any additional notes issued pursuant to the Loan Agreement and the performance of the covenants and agreements contained in the Loan Agreement, the Assignor, for value received, does hereby SELL, ASSIGN, TRANSFER AND SET OVER unto the Assignee, as trustee under the Indenture, and Assignee's successors and assigns, all right, title and interest of the Assignor in, under and pursuant to all current and future leases (the "Leases"), whether written

File only see sheet 661261

STATE OF INDIANA
LAKE COUNTY
FILED & RECORDED
MAR 11 1982
PIONEER NAT'L TITLE INS. CO.

[Handwritten initials]

or oral, and any and all letting of, any part of the real estate described in EXHIBIT A hereto, including the improvements thereon or hereafter placed thereon (the real estate and such improvements being hereinafter referred to as the "premises"), and including the Leases by and between the Assignor and the tenants listed in EXHIBIT B hereto, and all amendments and supplements to such Leases and all renewals thereof, and without limiting the generality of the foregoing, all right, title and interest of the Assignor in and to the rents (whether fixed or contingent), earnings, profits and all other sums due or which may hereafter become due under or by virtue of the leasing of the premises as aforesaid.

MOREOVER, in order to implement this Assignment and provide the security interest intended to be effected hereby, the undersigned Assignor agrees to and with the Assignee as follows:

1. This Assignment is made and given as additional collateral security for, and shall secure, until released by the Assignee in writing, (i) the payment in full of all principal of and interest on the Note; (ii) the performance of all obligations, covenants, promises and agreements contained herein or in the Mortgage conveying and mortgaging the premises as security for the Notes and any and all indebtedness intended to be so secured thereby; (iii) the performance of all obligations, covenants, promises and agreements of the Assignor contained in the Loan Agreement or in any other agreements setting forth terms and conditions applicable to the loans evidenced by the Notes or providing collateral security therefor; and (iv) the payment of all expenses and charges, legal or otherwise, paid or incurred by the Assignee in realizing upon or protecting the indebtedness referred to in the foregoing clauses (i), (ii) and (iii) or any security therefor, including this Assignment (the "Notes and the other indebtedness, obligations and liabilities referred to in clauses (i), (ii), (iii) and (iv) above being hereinafter collectively referred to as the "indebtedness hereby secured").

2. The Assignor warrants to the Assignee that the Assignor has good right to make this Assignment and that the Assignor has not heretofore alienated, assigned, pledged or otherwise disposed of any of the rights, rents and other sums due or which may hereafter become due and which are intended to be assigned hereunder. The Assignor further warrants and represents that it will not assign the rent or any part of the rent of the premises covered by this Assignment or amend any of the Leases now in existence or hereafter made and entered into with respect to the premises or any part thereof, nor will the undersigned Assignor collect rents thereunder for a period further in advance than thirty days, without the written consent of the Assignee, nor will the Assignor consent to the assignment by any lessee of any interest in the Leases which will relieve them of liability for the payment of rent thereunder and the performance of the terms and conditions therein to be kept and performed by the lessees, nor will the Assignor do any act or thing whereby it will violate any of its obligations under the Leases, but the Assignor will keep and perform all acts and things on its part to be kept and performed under the Leases in order for said Leases to be kept in full force and effect.

3. The Assignor hereby authorizes and empowers the Assignee, its successors and assigns, or the legal holder of the Notes, in the event of default by the Assignor in payment of the Notes or in the event of any default under the Loan Agreement or the Mortgage, whether before or after said Notes are declared due under the terms of the Loan Agreement and whether before or after satisfaction of any requirement of lapse of time or the giving of notice or both, the Assignee may, at its option, collect all or the rents, earnings, profits and other sums now due or which may hereafter become due under or by virtue of the Leases.

4. The Assignor does hereby constitute and appoint the Assignee the true and lawful attorney of the Assignor with full power of substitution for the Assignor and in the Assignor's name, place and stead to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all sums due or to become due under the Leases, with full power to settle, adjust or compromise any claim thereunder as fully as the Assignor could do, and to endorse the name of the Assignor on all commercial paper given in payment or in part payment thereof, and in the Assignee's discretion to file any claim or take any other action or proceeding, either in the Assignee's 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 sums and the security intended to be afforded hereby.

5. Without limiting any legal rights of the Assignee as the absolute assignee of the rents and other sums due or to become due under the Leases and in furtherance thereof, Assignor agrees that in the event of default under the Loan Agreement or the Mortgage, whether before or after the Notes are declared due under the terms of the Loan Agreement and whether before or after satisfaction of any requirement of the lapse of time or the giving of notice or both on which acceleration after default may be conditioned, the Assignee may, at its option, (i) take actual possession of the premises hereinabove described, or of any part thereof, personally or by agent or attorney, as for condition broken and with or without force and with or without process of law, enter upon, take and maintain possession of all or any part of said premises together with all documents, books, records, papers and accounts relating thereto, and exclude the Assignor, its agents or its servants therefrom and hold, operate, manage and control the premises, and at the expense of the premises, from time to time, cause to be made all necessary or proper repairs, renewals, replacements, useful alterations, additions, betterments and improvements to the premises as may seem judicious, and pay taxes, assessments and prior or proper charges on the premises, or any part thereof, and insure and reinsure the same, and lease the premises in such parcels and for such times and on such terms as the Assignee may deem fit, including leases for terms expiring beyond the maturity of the indebtedness secured by said Mortgage, and cancel any such lease or sublease for any cause or on any ground which would entitle the Assignor to cancel the same and in every such case have the right to manage and operate the said premises and to carry on the business thereof as the Assignee shall deem proper or (ii) with or without taking possession of the premises, the Assignee may proceed to enforce the Leases and collect all sums due or to become due thereunder and by so doing the Assignee shall not be deemed a mortgagee in possession nor to have assumed or become responsible or liable

for any obligations of the Assignor arising thereunder or in respect thereof.

5. Any sums received by the Assignee under or by virtue of this Assignment shall be applied to the payment of or on account of the following in such order and manner as the Assignee may elect:

(a) to the payment of all proper charges and expenses including the just and reasonable compensation for the services of the Assignee, its attorneys, agents, clerks, servants and others employed in connection with the operation, management and control of the premises, or of any part thereof, and the conduct of the business thereof and, if the Assignee shall elect, to the establishment of a reserve which shall be sufficient in the Assignee's judgment to indemnify it against any liability, loss or damage on account of any matter or thing done in good faith and in pursuance of the rights and powers contained herein;

(b) to the payment of any sum secured by a lien or encumbrance upon the premises;

(c) to the cost of completing any improvements being constructed on or about the premises; and

(d) to the reduction of the indebtedness hereby secured, whether or not the same may then be due or be otherwise adequately secured.

The manner of application of such sums and the items which shall be credited or paid out of same shall be within the sole discretion of the Assignee and nothing herein contained shall obligate the Assignee to use any such sums for a purpose other than reducing the indebtedness hereby secured unless it shall elect so to do. The Assignee shall be subrogated to any lien discharged out of the rents, income and profits of the premises.

7. The Assignor hereby further covenants that the Assignor will upon request of the Assignee execute and deliver such further instruments and do and perform such other acts and things as the Assignee may reasonably deem necessary or appropriate to more effectively vest in and secure to the Assignee the rights and rents which are intended to be assigned to the Assignee hereunder.

8. The acceptance by the Assignee of this Assignment, with all of the rights, powers, privileges and authority so created, shall not, prior to entry upon and taking of actual physical possession of the premises by the Assignee, be deemed or construed to constitute the Assignee a mortgagee in possession nor impose any obligation whatsoever upon the Assignee, it being understood and agreed that the Assignee does not hereby undertake to perform or discharge any obligations, duty or liability of the Assignor under the Leases or under or by reason of this Assignment. The Assignee shall have no liability to the Assignor or anyone for any action taken or omitted to be taken by it hereunder, except for its willful misconduct. Should the Assignee incur any liability, loss or damage under or by reason of this Assignment or for any action taken by the Assignee hereunder, or

in defense against any claim or demand whatsoever which may be asserted against the Assignee arising out of the Leases, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the highest rate applicable to the Notes at the time of incurrence (or if the Notes have been paid in full at the time of incurrence, then at the highest rate applicable to the Notes at the time of such payment in full), shall be secured by this Assignment and by the Mortgage, and the Assignor shall reimburse the Assignee therefor immediately upon demand, the Assignor's obligation so to pay to survive payment of the indebtedness hereby secured and the release of this Assignment.

9. The rights and remedies of the Assignee hereunder are cumulative and are not secondary to or in lieu of but are in addition to any rights or remedies which the Assignee shall have under the Indenture, Loan Agreement, the Notes, Mortgage or any other instrument or document or under applicable law, and the exercise by the Assignee of any rights and remedies herein contained shall not be deemed a waiver of any other rights or remedies of the Assignee, whether arising under the Mortgage or otherwise, each and all of which may be exercised from time to time and as often as such exercise is deemed expedient, and the failure of the Assignee to enforce any of the terms, provisions and conditions of this Assignment for any period of time, at any time or times, shall not be construed or deemed to be a waiver of any rights under the terms hereof.

10. The right of the Assignee to collect and receive the rents assigned hereunder or to exercise any of the rights or powers herein granted to the Assignee shall, to the extent not prohibited by law, extend also to the period from and after the filing of any suit to foreclose the lien of the Mortgage, including any period allowed by law for the redemption of the premises after any foreclosure sale.

11. This Assignment shall be assignable by the Assignee, but only to its assigns and successors in trust under the Indenture, and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective executors, administrators, legal representatives, successors and assigns of each of the parties hereto. All provisions hereof are severable and if any provisions hereof shall be invalid or unenforceable, the validity and enforceability of the remaining provisions hereof shall in no way be affected thereby. If more than one person signs this instrument as Assignor, the term "Assignor" as used herein shall mean all of such persons, jointly and severally.

12. This Assignment shall remain in force and effect so long as the Notes or any other indebtedness hereby secured shall remain unpaid. The Assignee shall release this Assignment upon payment in full of the Notes and other indebtedness hereby secured.

IN WITNESS WHEREOF James Merlo and Barbara Merlo have caused their names to be subscribed hereto and First National Bank of East Chicago, as trustee, has accepted this Assignment by causing its corporate name to be hereunto subscribed and attested under its official seal by its duly authorized officers identified below, all as of February, 1982, but actually

executed and delivered on the dates shown by the acknowledgments.

James Merlo
James Merlo

Barbara Merlo
Barbara Merlo

FIRST NATIONAL BANK OF EAST CHICAGO,
as Trustee

By Thomas P. Gzdzicki
Its Via Bank Trust Officer

(S E A L)

ATTEST:

By Terry P. Cook
Its PRESIDENT

EXHIBIT A

LEGAL DESCRIPTION

The West 222.5 feet by parallel lines of Lot 1, Fairmeadow's 34th Addition to the Town of Munster, as recorded in Plat Book 052, page 62, (Document No. 609228), in the Office of the Recorder of Lake County, Indiana, being 1.25 acres.

EXHIBIT B

LIST OF TENANTS

James Merlo, D.D.S., P.C.

Electric Supply Corporation

STATE OF INDIANA)
) SS
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public regularly elected, qualified and acting in and for the State and County aforesaid, personally appeared JAMES MERLO and BARBARA MERLO, with each of whom I am personally acquainted, and who, upon their oaths, acknowledged themselves to be one of the within named bargainors, and acknowledged that they executed the annexed Assignment of Leases and Rents as their free and voluntary act.

WITNESS my hand and notarial seal of Office at _____
East Chicago, Indiana, this 24th day of February,
1982.

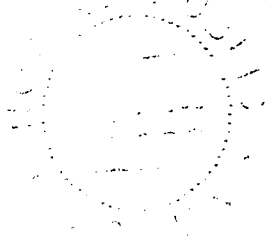
Nancy H. Shaver
Notary Public

Printed Name: Nancy H. Shaver

Resident of Lake County

My Commission Expires:
June 26, 1983

(Notarial Seal)



STATE OF INDIANA)
) SS
COUNTY OF LAKE)

Before me, the undersigned, a Notary Public regularly elected, commissioned, qualified and acting in and for the State and County aforesaid, personally appeared THOMAS S. GOZDECKI, JR. and TERRY P. EICH, with each of whom I am personally acquainted, and who, upon their oaths, acknowledged themselves to be officers as indicated below their signatures, acting on behalf of FIRST NATIONAL BANK OF EAST CHICAGO, East Chicago, Indiana, one of the within named bargainors, and acknowledged that they, as such officers, being authorized so to do, executed the annexed Assignment of Leases and Rents affixed thereto and attested the official seal of said Bank by themselves as such officers.

WITNESS my hand and notarial seal of Office at East Chicago, Indiana, this 24th day of February, 1982.

Linda G. Hatcher
Notary Public

Printed Name: _____

Resident of _____ County

My Commission expires: _____

(Notarial Seal)

LINDA G. HATCHER
Notary Public, Lake Co., IN
My Comm. Expires Sept. 27, 1985