

D

**ABSOLUTE ASSIGNMENT OF RENTS AND LEASES**

**THIS ABSOLUTE ASSIGNMENT OF RENTS AND LEASES** (hereinafter "this Assignment") is made as of October 31, 1995 by **S.L. HAMMOND L.L.C.**, a Delaware limited liability company ("**Borrower**"), with a mailing address of One West Avenue, Larchmont, New York 10538 to **MADISON BANK N.A.**, a national banking association ("**Lender**"), with a mailing address at 10 South Riverside Plaza, Chicago, Illinois 60606, Attention: Dwight Frankfather.

Chicago Title Insurance Company

I

RECITALS

WHEREAS, Borrower has executed and delivered to Lender a Promissory Note (the "**Note**") of even date herewith, wherein Borrower promises to pay to the order of Lender the principal amount of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00) in repayment of a loan (the "**Loan**") from Lender to Borrower in like amount; and

WHEREAS, as security for the repayment of the Loan in addition to this Assignment, there have been executed and delivered to Lender an Open End Variable Rate Construction Mortgage, Assignment of Rents, Security Agreement and Fixture Financing Statement (the "**Mortgage**") of even date herewith from Borrower to Lender, granting to Lender a first lien on the real estate described in Exhibit "A" attached hereto and hereby made a part hereof (the "**Property**"), as well as certain other loan documents (the Note, the Mortgage, this Assignment and all other documents, whether now or hereafter existing, that are executed and delivered as additional evidence of or security for repayment of the Loan, and all renewals, extensions, modifications and amendments thereof and thereto, are hereinafter referred to collectively as the "**Loan Documents**"); and ; and

WHEREAS, as security for the repayment of the Loan, in addition to the other Loan Documents, Lender requires that Borrower execute and deliver to Lender this Assignment.

II

THE GRANT

NOW, THEREFORE, as further security for the repayment of the Loan and in consideration of the matters recited hereinabove, Borrower does hereby sell, assign and transfer to Lender all of Borrower's right, title and interest in, to and under, together with all rents, issues, deposits and profits now due and which may hereinafter become due, under or by reason of any lease or any letting of, or any agreement for the use, sale, or occupancy of the Premises or any portion thereof (whether written or verbal), which may have been heretofore or may hereafter be made or agreed to or

For mtg see doc. # 95-068973



Recorded Nov. 1995, Document

95068974

95 NOV 10 PM 1:21

STATE OF INDIANA LAKE COUNTY FILED FOR RECORD

MARGARET RECORDED

Handwritten initials and numbers: K.S. 86

which may be made or agreed to by Lender under the powers herein granted, including without limitation sale contracts, escrow and other agreements, it being Borrower's intention hereby to establish an absolute transfer and assignment of all such leases, contracts and agreements pertaining thereto (such leases, contracts and agreements being collectively referred to hereinbelow as "agreements" and any such individual lease, contract, escrow or other agreement being referred to hereinbelow as an "agreement"), and all the avails thereof, to Lender; and

Borrower does hereby irrevocably appoint Lender as its true and lawful attorney in its name and stead (with or without taking possession of the Premises) to rent, lease, let or sell all or any portion of the Premises to any party or parties at such price and upon such term as Lender in its sole discretion may determine, and to collect all of such rents, issues, deposits, profits and avails now due or that may hereafter become due under any and all of such agreements or other tenancies now or hereafter existing on the Premises, with the same rights and powers and subject to the same immunities, exonerations of liability and rights of recourse and indemnity as Lender would have upon taking possession of the Premises pursuant to the provisions set forth hereinbelow.

This Assignment confers upon Lender a power coupled with an interest and it cannot be revoked by Borrower.

### III

#### GENERAL AGREEMENTS

3.1 Available Rents. Borrower represents and agrees that no rent for right of future possession has been or will be paid by any person in possession of any portion of the Premises in excess of one installment thereof paid in advance and that no payment of rents to become due for any portion of the Premises has been or will be waived, conceded, released, reduced, discounted, or otherwise discharged or compromised by Borrower without the prior written consent of Lender, which consent shall not be unreasonably withheld. Borrower waives any right of set-off against any person in possession of any portion of the Premises. Borrower agrees that it will not assign any of such rents, issues, profits, deposits or avails, except to a purchaser or grantee of the Premises.

3.2 Lease Modifications. Borrower shall not agree to any modification or amendment of the terms, or any termination or voluntary surrender, of any lease or agreement without the prior written consent of Lender, which consent shall not be unreasonably withheld or delayed.

3.3 Management of Premises. At all times while Lender is not in actual possession of the Premises, Borrower shall manage the

Premises, or cause the Premises to be managed, in accordance with sound business practices.

3.4 Future Assignments. Borrower further agrees to assign and transfer to Lender all future leases and agreements pertaining to all or any portion of the Premises and to execute and deliver to Lender, immediately upon demand of Lender, all such further assurances and assignments pertaining to the Premises as Lender may from time to time require.

3.5 Performance of Lease Obligations. Borrower shall, at its own cost: (i) at all times perform and observe all of the covenants, conditions and agreements of the lessor under the terms of any or all leases or similar agreements affecting all or any part of the Premises; (ii) at all times enforce and secure the performance and observance of all of the covenants, conditions and agreements of the lessees under the terms of any or all of said leases or other agreements; (iii) appear in and defend any action or other proceeding arising out of or in any manner connected with said leases and other agreements, and to pay any and all costs of Lender incurred by reason of, or in connection with said proceedings, including attorneys' fees and court costs; and (iv) promptly furnish Lender with copies of any notices of default either sent or received by Borrower under the terms of or pursuant to any of said leases or other agreements.

3.6 Tenant Certificates. Borrower further agrees to furnish Lender, within ten (10) days of Lender's request, with a written statement containing the names, spaces and rentals of all lessees of the Premises or any part thereof, and to exercise, within ten (10) days of Lender's request, any rights of Borrower to demand from any lessee a certificate regarding the status of said lessee's lease as may be required to be given by such lessee pursuant to its lease.

DEFAULTS AND REMEDIES

4.1 Exercise of Rights. Although it is the intention of Borrower and Lender that this Assignment be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Lender shall not exercise any of the rights and powers conferred upon it herein unless and until a "Default" has occurred in the payment of interest or principal due under the Note or in the performance or observance of any of the other provisions of the Note, the Mortgage, this Assignment or any of the other Loan Documents after the expiration of the applicable notice and cure period, if any; provided, however, that nothing contained herein shall be deemed to affect or impair any rights Lender may have under the Note or any of the other Loan Documents.

4.2 Application of Rents. Lender, in the exercise of the rights and powers conferred upon it herein, shall have full power to use and apply the rents, issues, deposits, profits and avails of the Premises to the payment of or on account of the following, in such order as Lender may in its sole discretion determine:

(a) operating expenses of the Premises (including without limitation all costs of management, sale and leasing thereof, which shall include reasonable compensation to Lender and its agents, if management be delegated thereto, reasonably attorneys' fees and costs, and lease or sale commissions and other compensation and expenses of seeking and procuring tenants or purchasers and entering into leases or sales), establishing any claims for damages, and premiums on insurance authorized hereinabove;

(b) taxes, special assessments, water and sewer charges on the Premises now due or that may hereafter become due;

(c) any and all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Premises (including without limitation the cost from time to time of installing or replacing ranges, refrigerators and other appliances or other personal property therein, and of placing the Premises in such condition as will, in the sole judgment of Lender, make them readily rentable or salable);

(d) any indebtedness secured by the Mortgage or any deficiency that may result from any foreclosure sale pursuant thereto; and

(e) any remaining funds to Borrower or its successors or assigns, as their interests and rights may appear.

4.3 Authorization to Lessees. Borrower does further specifically authorize and instruct each and every present and future lessee or purchaser of all or any portion of the Premises to pay all unpaid rentals or deposits agreed upon in any lease or agreement pertaining to the Premises to Lender upon receipt of demand from Lender to pay the same without any further notice or authorization by Borrower, and Borrower hereby waives any rights or claims it may have against any lessee by reason of such payments to Lender.

4.4 Right of Possession. In the event Lender is authorized under Paragraph 4.1 hereof to exercise its rights hereunder (whether before or after declaration of the entire principal amount secured thereby to be immediately due, before or after institution of legal proceedings to foreclose the lien of the Mortgage, or before or after sale thereunder), Borrower agrees, immediately upon demand of Lender, to surrender to Lender and Lender (personally or

by its agents or attorneys) shall be entitled to take actual possession of the Premises or any portion thereof, and in any such case Lender in its sole discretion may enter upon and take and maintain possession of all or any portion of the Premises, together with all the documents, books, records, papers and accounts of Borrower or the then owner of the Premises relating thereto, may exclude Borrower and its employees and agents wholly therefrom and may, as attorney-in-fact or agent of Borrower, or in its own name as Lender and under the powers herein granted, hold, operate, manage and control the Premises and conduct business thereon either personally or by its agents, with full power to use such measures, legal or equitable, as in its sole discretion may be deemed proper or necessary to enforce the payment of security of such rents, issues, deposits, profits and avails of the Premises (including without limitation actions for the recovery of rent, actions in forcible detainer and actions in distress for rent). Borrower hereby grants to Lender full power and authority to exercise each and every one of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Borrower, and with full power to cancel or terminate any lease (and any sublease) or agreement pertaining to the Premises for any cause or on any ground that would entitle Borrower to cancel the same, to elect to disaffirm any such lease (and any sublease) or agreement made subsequent to the Mortgage or subordinated to the lien thereof, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises that Lender in its sole discretion deems appropriate, to insure (and reinsure) the same for all risks incidental to Mortgagee's possession, operation and management thereof, and to receive all such rents, issues, deposits, profits and avails. Borrower further agrees to cooperate and facilitate Lender's collection of said funds and, upon Lender's request, shall promptly execute written notice to all lessees to make all rental payments to Lender.

4.5 Indemnity. Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligations, duty or liability under any leases or agreements pertaining to the Premises, and Borrower shall and does hereby agree to indemnify and hold Lender harmless from and against any and all liability, loss and damage that Lender may or might incur under any such leases or agreements or under or by reason of the assignment thereof, as well as any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on Lender's part to perform or discharge any of the terms, covenants or conditions contained in such leases or agreements, excepting those arising out of Lender's gross negligence or wilful misconduct. Should Lender incur any such liability, loss or damage under such leases or agreements, or under or by reason of the assignment thereof, or in the defense of any claims or demands relating thereto, Borrower shall reimburse Lender for the amount thereof (including without limitation

reasonable attorneys' fees and court costs) immediately upon demand.

**4.6 Limitation of Liability.** Nothing herein contained shall be construed as making or constituting Lender a "mortgagee in possession" in the absence of the taking of actual possession of the Premises by Lender pursuant to the provisions set forth herein. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Borrower.

**4.7 Nature of Remedies.** It is understood and agreed that the provisions set forth herein shall be deemed a special remedy given to Lender and shall not be deemed exclusive of any of the remedies granted in the Note, the Mortgage or any of the other Loan Documents, but shall be deemed an additional remedy and shall be cumulative with the remedies therein granted.

**4.8 Continual Effectiveness.** It is expressly understood that no judgment or decree entered on any debt secured or intended to be secured by any of the other Loan Documents shall operate to abrogate or lessen the effect of this Assignment, but that the same shall continue in full force and effect until the payment and discharge of any and all indebtedness secured thereby, in whatever form such indebtedness may be, and until the indebtedness secured thereby shall have been paid in full and all bills incurred by virtue of the authority contained herein have been fully paid out of the rents, issues, deposits, profits and avails of the Premises, by Borrower, or by any guarantor of payment of the Note, or until such time as this Assignment may be voluntarily released. This Assignment shall also remain in full force and effect during the pendency of any foreclosure proceedings pursuant to the Mortgage, both before and after sale, until the issuance of a deed pursuant to a foreclosure decree, unless the indebtedness secured by the Mortgage is fully satisfied before the expiration of any period of redemption.

MISCELLANEOUS

**5.1 Notices.** Any notice that Lender or Borrower may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipient thereof at its address hereinabove set forth or at such other address as such intended recipient may, from time to time, by notice in writing, designate to the sender pursuant hereto. Any such notice shall be deemed to have been delivered two (2) business days after mailing by United States certified mail, return receipt requested, or when delivered in person. Except as otherwise specifically required herein, notice of the exercise of any right or option granted to Lender by this Assignment is not required to be given.

**5.2 Governing Law; Litigation.** This Assignment shall be construed and enforced according to the internal laws of the State of Illinois, and to the maximum extent permitted by law without regard to principles of conflicts of laws. TO THE MAXIMUM EXTENT PERMITTED BY LAW, BORROWER HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS ASSIGNMENT SHALL BE TRIED AND DETERMINED ONLY IN THE STATE AND FEDERAL COURT LOCATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, OR, AT THE SOLE OPTION OF LENDER, IN ANY OTHER COURT IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, BORROWER HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS PARAGRAPH.

**5.3 Rights and Remedies.** All rights and remedies set forth in this Assignment are cumulative, and the holder of the Note and of every other obligation secured hereby may recover judgment thereon, issue execution therefor and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right or remedy afforded hereby. Expressly provided in this Assignment to the contrary, no consent or waiver, whether express or implied, by any interested party referred to herein regarding any breach or default by any other interested party referred to herein, in the performance by such other party of any obligations contained herein shall be deemed a consent to or waiver of the party of any obligations contained herein or waiver of the performance by such party of any other obligations hereunder or the performance by any other interested party referred to herein of the same, or of any other obligations hereunder.

**5.4 Interpretation.** If any provision of this Assignment or any paragraph, sentence, clause, phrase or word, or the application thereof, is held invalid in any circumstance, the validity of the remainder of this Assignment shall be construed as if such invalid part were never included herein. The headings of sections and paragraphs in this Assignment are for convenience or reference only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof. As used in this Assignment, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires. Whenever the words "including", "include" or "includes" are used in this Assignment, they should be interpreted in a non-exclusive manner as though the words ", without limitation," immediately followed the same.

**5.5 Successors and Assigns.** This Assignment and all provisions hereof shall be binding upon Borrower, its successors, assigns and legal representatives, and all other persons or entities claiming under or through Borrower and the word

"Borrower," when used herein, shall include all such persons and entities and any others liable for the payment of the indebtedness secured hereby or any part thereof, whether or not they have executed the Note or this Assignment. The word "Lender," when used herein, shall include Lender's successors, assigns and legal representatives, including all other holders, from time to time, of the Note. This Assignment shall run with the land constituting the Premises.

5.6 Jury Waiver. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF BORROWER AND LENDER HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS ASSIGNMENT, OR IN ANY WAY CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE DEALINGS OF BORROWER AND LENDER WITH RESPECT TO THIS ASSIGNMENT, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF BORROWER AND LENDER HEREBY AGREES THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDINGS SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT BORROWER OR LENDER MAY FILE A COPY OF THIS ASSIGNMENT WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF EACH OF BORROWER AND LENDER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed as of the day and year first above written.

S.L. HAMMOND L.L.C., a Delaware limited liability company

By: S.L. Properties, Inc., a Delaware corporation, Manager



  
Stuart Lichter, President



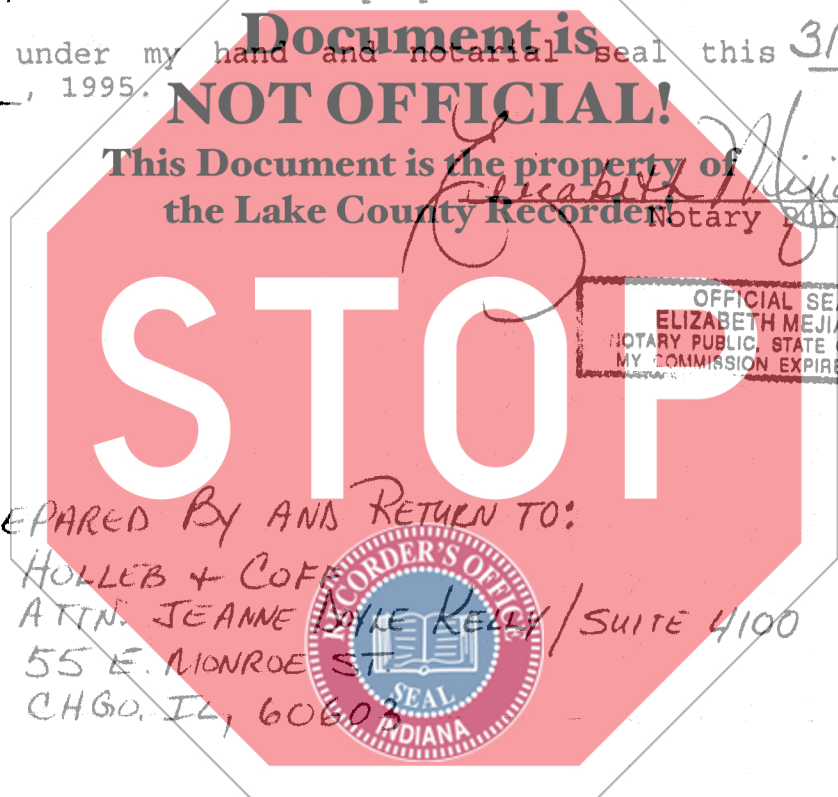
STATE OF ILLINOIS )  
COUNTY OF COOK ) SS.

I, ELIZABETH MEJIA ASH, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Stuart Lichter, personally known to me to be the President of S. L. Properties, Inc., a Delaware corporation, the Manager of S. L. Hammond L.L.C., a Delaware limited liability company, is the same person whose name is subscribed to the foregoing instrument as such general partner of said partnership, appeared before me this day in person and acknowledged that as such he signed and delivered the said instrument pursuant to authority, as his free and voluntary acts, and as the free and voluntary acts and deeds of said partnership, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 31<sup>st</sup> day of OCTOBER, 1995.

Document is  
**NOT OFFICIAL!**

This Document is the property of  
Elizabeth Mejia Ash  
the Lake County Recorder Notary public



PREPARED BY AND RETURN TO:  
HOLLEB + COFF  
ATTN: JEANNE DAKE KELLY / SUITE 4100  
55 E. MONROE ST.  
CHGO. IL, 60603

EXHIBIT "A"

LEGAL DESCRIPTION

THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER (EXCEPT THE EAST 174 FEET THEREOF), AND THE SOUTH 151.24 FEET OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 36 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN LAKE COUNTY, INDIANA, EXCEPTING FROM BOTH TRACTS;

THAT PART THEREOF LYING NORTH OF A LINE WHICH INTERSECTS THE NORTH LINE OF SAID SOUTH 151.24 FEET OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER 386.08 FEET WEST OF THE EAST LINE OF THE WEST HALF OF SAID SOUTHWEST QUARTER AND WHICH INTERSECTS THE WEST LINE OF THE EAST 174 FEET OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER, 60.84 FEET SOUTH OF THE NORTH LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER,

ALSO EXCEPT THAT PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 4, TOWNSHIP 36 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN THE CITY OF HAMMOND, LAKE COUNTY, INDIANA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION; THENCE NORTH 00 DEGREES 03 MINUTES 41 SECONDS WEST 47.00 FEET ALONG THE WEST LINE OF SAID SECTION TO THE POINT OF BEGINNING, WHICH POINT IS ON THE NORTH BOUNDARY OF 165TH STREET; THENCE CONTINUING NORTH 00 DEGREES 03 MINUTES 41 SECONDS WEST, 170.76 FEET ALONG SAID WEST LINE; THENCE SOUTH 88 DEGREES 56 MINUTES 48 SECONDS EAST, 46.53 FEET; THENCE SOUTH 2 DEGREES 35 MINUTES 02 SECONDS EAST, 119.10 FEET; THENCE SOUTH 31 DEGREES 08 MINUTES 31 SECONDS EAST, 29.16 FEET; THENCE SOUTH 59 DEGREES 12 MINUTES 51 SECONDS EAST, 29.16 FEET; THENCE NORTH 89 DEGREES 49 MINUTES 19 SECONDS EAST, 178.00 FEET; THENCE SOUTH 86 DEGREES 30 MINUTES 19 SECONDS EAST, 147.30 FEET TO THE NORTH BOUNDARY OF 165TH STREET; THENCE SOUTH 89 DEGREES 38 MINUTES 24 SECONDS WEST, 416.87 FEET ALONG SAID BOUNDARY TO THE POINT OF BEGINNING.

Address: 2501 West 165th Street,  
Hammond, Indiana