

Filed
203 N. La Salle St
Suite 1400
Chicago, Ill 60601
Attn: James Shaw

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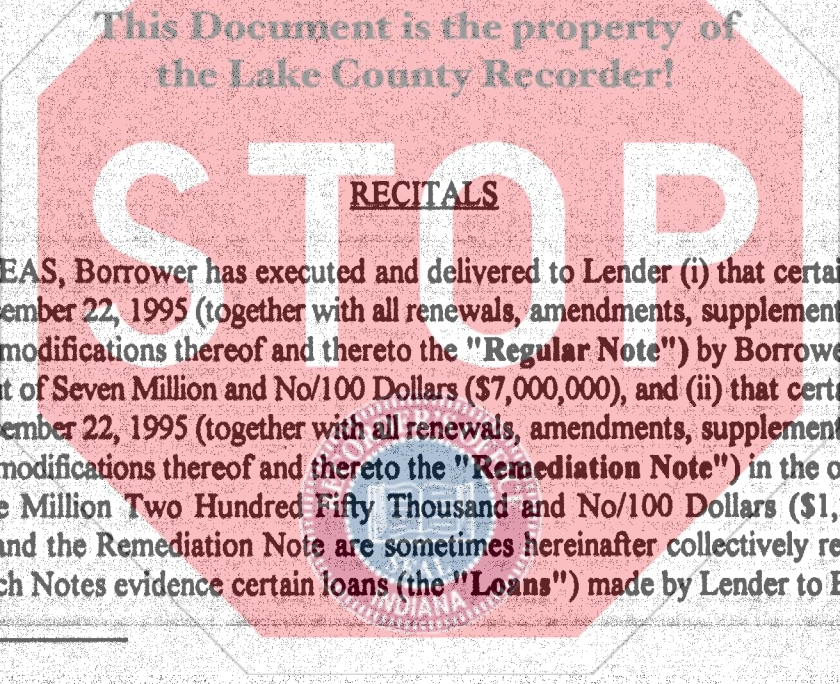
**ABSOLUTE ASSIGNMENT
OF RENTS AND LEASES**

197918-2

ABSOLUTE ASSIGNMENT OF RENTS AND LEASES

THIS ABSOLUTE ASSIGNMENT OF RENTS AND LEASES (hereinafter, the "Assignment") is made as of February 12, 1996 by **CHASE STREET INDUSTRIAL CENTER, L.L.C.**, an Illinois limited liability company ("Borrower"), with a mailing address c/o Robert J. Bobb & Company, 311 South Wacker Drive, Suite 5500, Chicago, Illinois 60606, to **BRIDGEVIEW BANK AND TRUST COMPANY**, as agent for itself and other lenders, ("Lender") with a mailing address at 7940 South Harlem Avenue, Bridgeview, Illinois 60455, Attention: William Conaghan.

TICOR TITLE INSURANCE
Crown Point, Indiana



96021381

RECITALS

WHEREAS, Borrower has executed and delivered to Lender (i) that certain Regular Loan Note dated December 22, 1995 (together with all renewals, amendments, supplements, restatements, extensions and modifications thereof and thereto the "Regular Note") by Borrower in the original principal amount of Seven Million and No/100 Dollars (\$7,000,000), and (ii) that certain Remediation Note dated December 22, 1995 (together with all renewals, amendments, supplements, restatements, extensions and modifications thereof and thereto the "Remediation Note") in the original principal amount of One Million Two Hundred Fifty Thousand and No/100 Dollars (\$1,250,000). The Regular Note and the Remediation Note are sometimes hereinafter collectively referred to as the "Notes", which Notes evidence certain loans (the "Loans") made by Lender to Borrower, and

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
96 APR -3 AM 10:25
RECEIVED

This document prepared by,
and after recording should
be returned to:

Property Address:
700 Chase Street
Gary, Indiana

Marc S. Joseph, Esq.
D'Ancona & Pflaum
30 North LaSalle Street
Suite 2900
Chicago, Illinois 60602

Tax Identification No.:

Unit No. 25; Key No. 40-35-8

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WHEREAS, simultaneously with Borrower's execution of the Notes, Borrower and Lender entered into a Loan Agreement (the "Loan Agreement"), which required Borrower to execute loan documents granting Lender a first mortgage lien against the Premises (as hereinafter defined) and leases thereon upon recording of a Foreclosure Deed (as defined in the Loan Agreement) as set forth in Section 4.3 of the Loan Agreement; and

WHEREAS, as required by such Section 4.3, as security for the repayment of the Loans in addition to this Assignment, Borrower has executed and delivered to Lender an Amended and Restated Mortgage (and Assignment of Rents and Leases, 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 "Premises"), as well as certain other loan documents (the Loan Agreement, the Notes, the Mortgage, this Assignment, and all other documents, including all loan documents executed pursuant to the Loan Agreement, whether now or hereafter existing, that are executed and delivered as additional evidence of or security for repayment of the Loans are hereinafter referred to collectively as the "Loan Documents"); and

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

I
THE GRANT

NOW, THEREFORE, as further security for the repayment of the Loans 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 and all leases 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 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, exoneration 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.

II

GENERAL AGREEMENTS

3.1 Available Rents. Borrower represents and agrees that, without the prior written consent of Lender, which shall not be unreasonably withheld, 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 (other than security deposits) 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. 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 enter into any leases with tenants or to any material modification or amendment of the terms, or any termination or voluntary surrender, of any lease or agreement (except for any modifications or amendments required by the terms of such leases or agreements, or which are related to the exercise of any option to extend, expand or terminate, but only to the extent all terms thereof are contained in such lease or agreement) without the prior written consent of Lender which shall be based solely on the proposed use of the Premises designated in any lease, which consent shall not be unreasonably denied, delayed or conditioned.

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 Obligation. Borrower shall, at its own costs: (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.

III
Document is
DEFAULTS AND REMEDIES
NOT OFFICIAL!

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 (as hereinafter defined) has occurred in the payment of interest or principal due under the Notes or in the performance or observance of any of the other provisions of the Notes, the Mortgage, this Assignment or any of the other Loan Documents, and until such Default has occurred, Borrower is hereby granted a revokable license to collect rents and otherwise manage and operate the Premises, subject to the terms of the Loan Documents and this Assignment. However, nothing contained herein shall be deemed to affect or impair any rights Lender may have under the Notes or any of the other Loan Documents.

4.2 Default. It shall be a default ("Default") under this Assignment upon the happening of any of the following:

- (a) Failure to comply with or perform any of the terms, conditions or covenants of this Assignment and such failure shall continue for a period of thirty (30) days after written notice thereof to Borrower, and, if such default cannot be cured within said thirty (30) day period and Borrower diligently commences and prosecutes each cure during said thirty (30) day period, Borrower shall have an additional sixty (60) days to cure such default, but in no event shall the period to cure any such default exceed ninety (90) days after the date Lender's notice is given to Borrower; or
- (b) A default or event of default shall occur under either or both of the Notes, the Mortgage or any other Loan Document after the expiration of the applicable notice and cure period, if any; or

(c) During any calendar quarter ending on March 31, June 30, September 30 or December 31 (a "Quarter"), Borrower permits the ratio of Operating Cash Flow (as defined below) during such quarter to Debt Service (as defined below) during such Quarter to be less than 1.25 to 1.

(i) As used herein, "Operating Cash Flow" during any Quarter shall mean all rental income (including minimum rent, additional rent, escalation and pass through payments) actually received in such Quarter arising from the ownership and operation of the Premises (excluding tenant security deposits and rent paid during such Quarter by any tenant for more than three months of rental obligations) less the sum of all costs, taxes, expenses and disbursements of every kind, nature or description actually paid or due and payable during such Quarter in connection with the leasing, management, operation, maintenance and repair of the Premises and of the personal property, fixtures, machinery, equipment, systems and apparatus located therein or used in connection therewith, but excluding (i) non-cash expenses, such as depreciation and amortization costs, (ii) state and federal income taxes, (iii) the non-current portion of capital expenditures determined in accordance with generally accepted accounting principles, (iv) debt service payable on the Loan, and (v) principal and interest payments on other loans permitted by Lender, if any. In determining Operating Cash Flow, (A) extraordinary items of income, such as those resulting from casualty or condemnation or lease termination payments of tenants, shall be deducted from income, and (B) real estate taxes and insurance premiums shall be treated as expenses to the extent of an annualized amount based upon the amount of the most recent bill for real estate taxes and insurance premiums (regardless of whether the same shall have been paid or have become due and payable during such Quarter) multiplied by three-twelfths (3/12ths).

(ii) As used herein, "Debt Service" for any Quarter shall equal the sum of all principal and interest payments on the Loans and any other indebtedness of Borrower that are due and payable during such Quarter.

(iii) Operating Cash Flow and Debt Service shall be calculated by Lender based on the financial information provided to Lender by Borrower and independently verified by Lender, and the calculations so verified shall be final and binding upon Lender and Borrower.

4.3 Remedies. Upon a Default of Borrower under any Loan Document, without regard to waste, adequacy or the security or solvency of Borrower, Lender may declare all amounts secured hereby immediately due and payable, may revoke the license granted Borrower hereunder to collect rents due under any lease or other agreement, and may, at its option, without notice, either:

(a) In person or by agent, with or without taking possession of or entering the Premises, with or without bringing any action or proceeding, give, or require Borrower to give,

notice to any or all tenants under any lease of the Premises (or any portion thereof) authorizing and directing the tenants to pay all rent due under any such lease directly to Lender; collect all of the rents due under any lease of the Premises (or any portion thereof); enforce the payment thereof and exercise all of the rights of Borrower under any lease and all of the rights of Borrower hereunder; do all of the things permitted a receiver by statute or by this Assignment; and may enter upon, take possession of, manage and operate the Premises or any part thereof; may cancel, enforce or modify any lease, and fix or modify rents, and do any acts which Lender deems proper to protect the security hereof, or

- (b) Apply for appointment of a receiver, to which receivership Borrower hereby consents, who shall have all the rights permitted by law and all rights permitted to Lender in this Assignment and who shall collect the rents; manage the Premises so as to prevent waste; execute leases within or beyond the period of receivership; perform the terms of this Assignment and apply the rents as hereinafter provided.

4.4 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, reasonable 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 any 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.

4.5 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 the 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.

4.6 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 Tenant to Recognize Lender. Each tenant under any lease or agreement is hereby irrevocably authorized and directed to recognize the claims of Lender or any receiver appointed without investigating the reason for any action taken or the validity or the amount of indebtedness owing to Lender, or the existence of any default in the Notes or the Mortgage, or any Default hereunder, or the application to be made by Lender or such receiver. Borrower hereby irrevocably directs and authorizes the tenants to pay to Lender or such receiver all sums due under the Lease or any other leases and consents and directs that such sums shall be paid to any receiver in accordance with terms of its receivership or to Lender without the necessity for judicial determination that a default has occurred hereunder or under the Mortgage or that Lender is entitled to exercise its rights hereunder, and to the extent such sums are paid to Lender or such receiver, Borrower agrees that the tenant shall have no further liability to Borrower for the same. The sole signature of Lender or such receiver shall be sufficient for the exercise of any rights under this Assignment and the sole receipt of Lender or such receiver for any sums received shall be a full discharge and release therefor to any such tenant or occupant of the Premises. Checks for all or any part of the rentals collected under this Assignment shall upon notice from Lender be drawn to the exclusive order of Lender or such receiver.

4.8 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 or arising through Lender's or its agent's acts following Lender's taking actual possession of the Premises (Borrower acknowledging that Lender's receipt of rents or appointment of a receiver shall in no event be construed as Lender having taken actual possession of the Premises). 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.

4.9 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 Notes, 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.

4.10 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 Notes, 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.

IV

MISCELLANEOUS

5.1 Notices. Any notice or other communication required or permitted to be given shall be in writing addressed to the respective party as set forth below and may be personally served, telecopied or sent by overnight courier or U.S. Mail and shall be deemed given: (a) if served in person, when served; (b) if telecopied, on the date of transmission if before 3:00 p.m. (Chicago time) on a business day, provided that a hard copy of such notice is also sent pursuant to (c) or (d) below; (c) if by overnight courier, on the first business day after delivery to the courier; or (d) if by U.S. Mail, certified or registered mail, return receipt requested on the third (3rd) day after deposit in the mail postage prepaid.

Notices to Borrower:

Chase Street Industrial Center, L.L.C.
c/o Robert J. Bobb & Company
311 S. Wacker Drive, Suite 5500
Chicago, Illinois 60606
Attention: Robert J. Bobb

With a copy to: Rudnick & Wolfe
203 N. LaSalle Street
Suite 1800
Chicago, Illinois 60601
Attention: Charles L. Edwards, Esq.

Notices to Lender: Bridgeview Bank and Trust Company
7940 South Harlem Avenue
Bridgeview, Illinois 60455
Attention: William Conaghan, President

With a copy to: D'Ancona & Pflaum
30 North LaSalle Street
Suite 2900
Chicago, Illinois 60602
Attention: Marc S. Joseph, Esq.

5.2 Governing Laws; Litigation. This Assignment (at the election of Lender to the maximum extent permitted by Law) shall be governed by, construed and enforced in accordance with the laws of the State of Indiana.

5.3 Rights and Remedies. All rights and remedies set forth in this Assignment are cumulative, and the holder of the Notes and of every other obligation secured hereby may recover judgment thereon, issue execution therefore 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. Unless 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 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 no 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.

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 Notes 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 Notes. This Assignment shall run with the land constituting the Premises.

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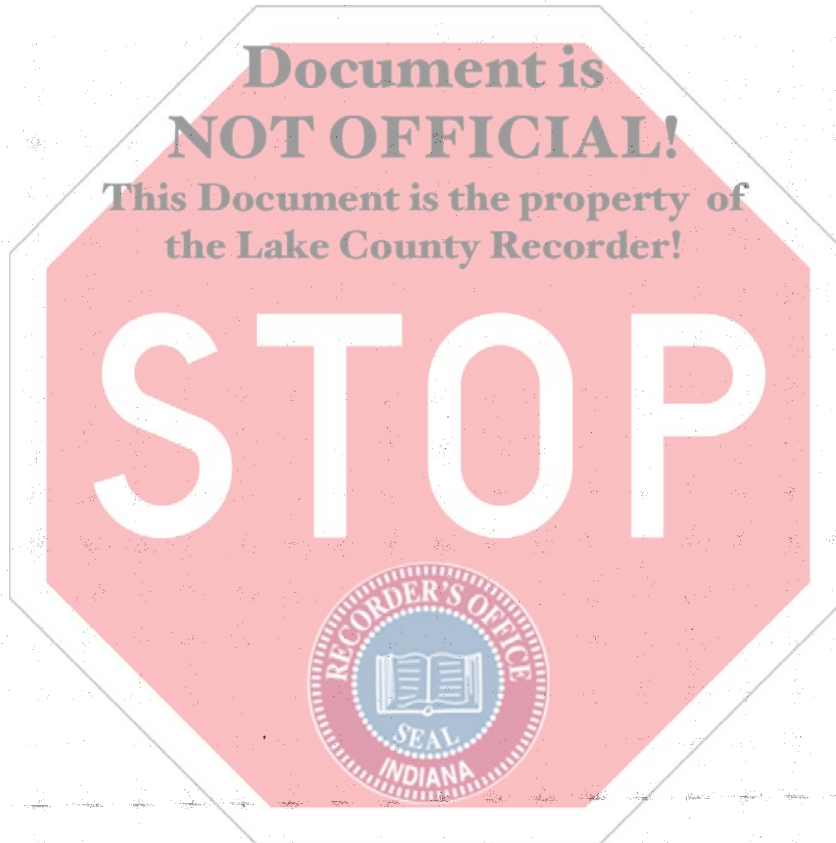


IN WITNESS WHEREOF, Borrower has caused this Assignment to be executed as of the day and year first above written.

CHASE STREET INDUSTRIAL CENTER, L.L.C.
an Illinois limited liability company

By: 

Its: *Manager* Robert J. Bobb



STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 26~~th~~ day March 1996, personally appeared Robert J. Bobb, who being by me duly sworn did say that he is manager of Chase Street Industrial Center, L.L.C., a limited liability company under the laws of the State of Illinois, the company named in the foregoing instrument, and that said instrument was signed on behalf of said company and acknowledged said instrument to be his free act and deed, and the free act and deed of said company.

Mary E. McFarland
Notary Public

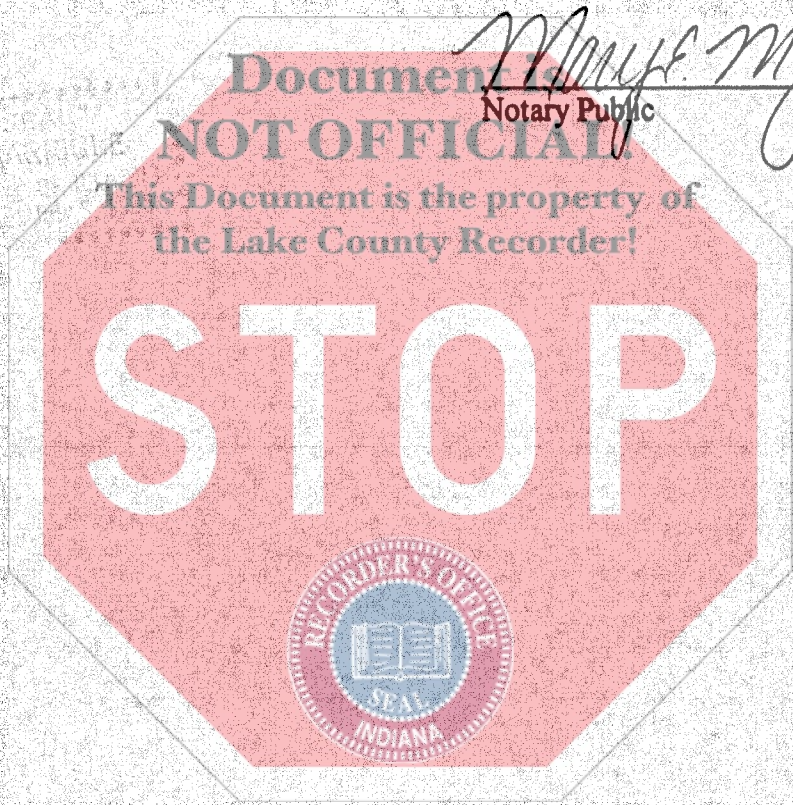


EXHIBIT A

Legal Description

ALL THAT PART OF THE SOUTHEAST 1/4 OF SECTION 6, TOWNSHIP 36 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN THE CITY OF GARY, LAKE COUNTY, INDIANA, BOUNDED ON THE NORTH BY THE SOUTH LINE OF FIFTH AVENUE, ON THE SOUTH BY THE NORTH LINE OF THE RIGHT-OF-WAY OF THE NEW YORK CENTRAL RAILROAD, FORMERLY GARY AND WESTERN RAILWAY; AND ON THE EAST BY THE WEST LINE OF CHASE STREET; EXCEPTING THEREFROM THAT CERTAIN PARCEL OF LAND LOCATED IN THE NORTHEAST CORNER OF SAID ABOVE TRACT AND BEING DESCRIBED AS FOLLOWS: BEGINNING AT THE INTERSECTION OF THE SOUTH LINE OF FIFTH AVENUE (80') WITH THE WEST LINE OF CHASE STREET (80'), THENCE WEST ALONG THE SOUTH LINE OF FIFTH AVENUE 125 FEET; THENCE SOUTH AND PARALLEL WITH THE WEST LINE OF CHASE STREET 125 FEET; THENCE EAST AND PARALLEL WITH THE SOUTH LINE OF FIFTH AVENUE 125 FEET TO THE WEST LINE OF CHASE STREET; THENCE NORTH ALONG THE WEST LINE OF CHASE STREET 125 FEET TO THE PLACE OF BEGINNING.

ADDRESS:

700 Chase Street, Gary, Indiana

