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ASSIGNMENT OF LEASES AND RENTS

RECORDER

The undersigned, Ralph D. Artim, an individual d/b/a Artim Industrial Property, having his chief executive office and place of business at Post Office Box 2310 - 7107 Kennedy Avenue, Hammond, Indiana (herein "Grantor"), for value received and any financial accommodations given or which may be given by CALUMET NATIONAL BANK, a national banking association having its principal office at 5231 Hohman Avenue, Hammond, Indiana 46320 (hereinafter referred to as "Bank"), hereby assigns to Bank all leases already in existence and to be created in the future, together with all rents to become due under existing or future leases in which Grantor has or may have an interest, and relating to the real estate or any portion thereof, which real estate is situated in Lake County, State of Indiana, and described as follows (herein the "Real Estate"):

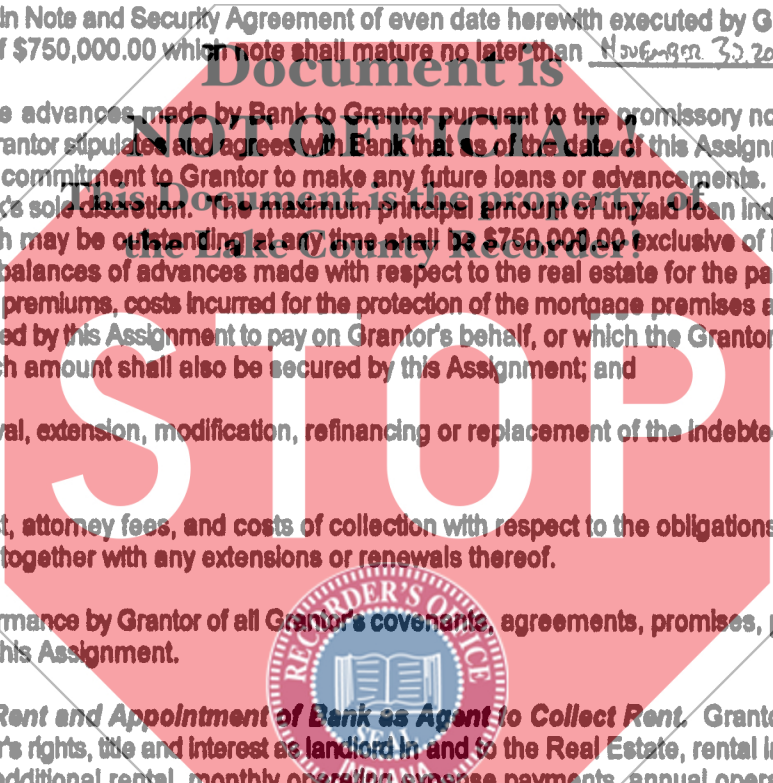
Grantor further agrees as follows:

1. **Obligations Secured.** This Assignment is given to secure the following (herein sometimes the "Obligations"):

- a. That certain Note and Security Agreement of even date herewith executed by Grantor, in the original principal amount of \$750,000.00 which note shall mature no later than November 30, 2001; and
- b. Any future advances made by Bank to Grantor pursuant to the promissory note referred to in paragraph a. above. Grantor stipulates and agrees with Bank that as of the date of this Assignment, Bank has made no oral or written commitment to Grantor to make any future loans or advancements. Any such future lending shall be at Bank's sole discretion. The maximum principal amount of unpaid loan indebtedness secured under the note which may be outstanding at any time shall be \$750,000.00 exclusive of interest thereon and exclusive of unpaid balances of advances made with respect to the real estate for the payment of taxes, assessments, insurance premiums, costs incurred for the protection of the mortgage premises and all other costs which Bank is authorized by this Assignment to pay on Grantor's behalf, or which the Grantor is required to pay hereunder, all of which amount shall also be secured by this Assignment; and
- c. Any renewal, extension, modification, refinancing or replacement of the indebtedness referred to in section a. above.
- d. All interest, attorney fees, and costs of collection with respect to the obligations referred to in sections a. and b. above, together with any extensions or renewals thereof.
- e. The performance by Grantor of all Grantor's covenants, agreements, promises, payments and conditions contained in this Assignment.

2. **Assignment of Rent and Appointment of Bank as Agent to Collect Rent.** Grantor hereby assigns to Bank, as security, all Grantor's rights, title and interest as landlord in and to the Real Estate, rental income, whether denominated minimum rental, additional rental, monthly operating expense payments, annual operating expense adjustments, or otherwise, and all other payments to be received by Grantor pursuant to the terms of those certain lease agreements identified on the Schedule of Leases which is attached hereto and incorporated herein as Exhibit "B," and any other lease agreement currently in effect involving the Real Estate and any future lease agreements entered into between Grantor and others relating to the Real Estate (herein collectively the "Lease(s)"). This assignment shall extend to all rights of Grantor under the Lease(s) including, but not limited to, all rights to rents and other sums required to be paid under the Lease(s) and the right to utilize name of Grantor in all covenants and terms of the Lease(s) relating to the collection and enforcement of rental payments or other sums which may become due under the Lease(s). Grantor hereby confers on the Bank the exclusive power, to be used or not be used in its sole discretion, to act as agent, or to appoint a third person to act as agent for Grantor, with power to collect all rents arising from the Real Estate and apply such rents, at the option of the Bank, to the payment of the Obligations referred to in section 1 above or to any taxes, costs of maintenance, repairs, and expenses incident to the Real Estate and the management thereof, in such order of priority as the Bank may in its sole discretion determine, and to turn any balance remaining over to Grantor; but such collection of rents shall not operate as an affirmation of any tenant or Lease(s). The Bank shall be liable to account only for rents and profits actually received by the Bank. In exercising any of the powers contained in this Agreement, the Bank may also take possession of, and for these purposes use, any and all personal property contained in the Real Estate owned and used by Grantor in the rental or leasing thereof or any part thereof. Grantor does not assign to Bank any of Grantor's obligations under the Lease(s), and Grantor shall be and remain solely responsible for performing or fulfilling such obligations.

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Chicago Title Insurance Company

3. **Representations and Warranties of Grantor.** All warranties shall be deemed to be reaffirmed on and as of the time of each disbursement of loan proceeds to the Grantor. Grantor warrants and represents as follows:

- a. The Lease(s) is in full force and effect.
- b. No default exists on the part of any tenant or Grantor under the Lease(s).
- c. No rent has been collected in advance.
- d. Neither the Lease(s) nor any interest therein has been previously assigned or pledged.
- e. The tenant under the Lease(s) has no defense, set off or counterclaims against Grantor.
- f. All rent due to date under the Lease(s) has been collected and no concession has been granted to the tenants, or any of them, in the form of a waiver, release, reduction, discount or other alteration of rent due or to become due.

4. **Covenants of Grantor.** Grantor covenants and agrees with Bank as follows:

- a. Grantor will enter into no agreement which would result in the merger of the interest of Grantor and tenants under the Lease(s). Grantor shall not transfer or convey fee simple title to the Real Estate, or any portion thereof, to any tenant without the prior written consent of Bank. Where such consent is given or where under applicable law the requirement for such consent is not enforceable, Grantor shall require the tenants, in writing, to assume and agree to pay Grantor's indebtedness in accordance with the terms, covenants and conditions of the Note. In no event shall any such transfer or conveyance operate to release or relieve Grantor of any liability to Bank unless Bank specifically agrees otherwise in writing.
- b. Grantor will not terminate any Lease(s) (except pursuant to the terms of the Lease(s) upon a default by the tenants), or modify or amend any Lease(s) or any of the terms thereof or grant any concessions in connection therewith or accept a surrender thereof except to (i) increase the term of the Lease(s); (ii) increase the rent payable, and/or (iii) increase any financial or other obligation on the part of a tenant, without the prior written consent of the Bank.
- c. Grantor will not collect any rents and profits in advance of the date on which they become due under the terms of the Lease(s).
- d. Grantor will not discount any future accruing rents and profits.
- e. Grantor will not consent to an assignment of the Lease(s), or subletting thereunder if such consent is required by the terms of the Lease(s), without the prior written consent of Bank.
- f. Grantor will not execute any further assignment of any of the rents and profits or any interest therein or suffer or permit any such assignment to occur by operation of law.
- g. Grantor will not request, consent to, agree to or accept a subordination of the Lease(s) to any mortgage, deed of trust or other encumbrance, or any other Lease(s), now or hereafter affecting the property or any part thereof, or permit conversion of any Lease(s) to a sublease, with the exception of a subordination of such Lease(s) to a mortgage granted to Bank.
- h. Grantor will perform and discharge all obligations of the Landlord under the Lease(s), and will give proper written notice to Bank of any notice of default received from any tenant or any other person. Grantor shall appear in and defend, at no cost to Bank, any action or proceeding arising under or in any manner connected with the Lease(s). If requested by Bank, Grantor shall enforce the Lease(s) and all remedies available to Grantor against the tenants in the case of default under any Lease(s) by any tenant.
- i. Grantor shall manage the leased premises through its own personnel, and shall not hire, retain or contract with any third party for property management services without the prior written approval by Bank of such party and the terms of its contract for management services.

j. Grantor shall deliver to Bank, promptly upon request, a duly executed estoppel certificate from the tenants as required by Bank attesting that the Lease(s) is in full force and effect with no defaults thereunder on the part of any party, that no rental has been paid more than one month in advance, and that the tenants claim no defense or offset against the full and timely performance of Grantor under the Lease(s).

5. **Rental Insurance.** If the Lease(s) provides for the abatement of rent during repair of the leased premises by reason of fire or other casualty, Grantor shall obtain rental insurance and assign such policy or policies to Bank. The policies shall be in the amount and form and written by such companies as shall be satisfactory to Bank.

6. **Bank not to be Obligated.** Nothing in this Assignment shall be construed to impose any liability or obligation upon Bank under or with respect to the Lease(s). Grantor agrees to indemnify and hold Bank harmless from and against any and all liabilities, losses and damages which Bank may incur under the Lease(s) or by reason of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against Bank by reason of any alleged obligations to be performed or discharged by Bank under the Lease(s) or this Assignment. Should Bank incur any liability, loss or damage under the Lease(s) or under or by reason of this Assignment, Grantor shall immediately upon demand reimburse Bank for the amount thereof together with all costs and expenses and reasonable attorney's fees incurred by Bank. All of the foregoing sums shall bear interest until paid at the rate set forth in the note(s) secured hereby. Any rents and profits collected by Bank may be applied by Bank in its discretion in satisfaction of any such liability, loss, damage, claim, demand, costs, expense or fees.

7. **Default.** In the event of any default as defined in the Note or in any other Loan Document executed by and between Bank and Grantor, this Assignment or any other obligation of Grantor to Bank whether contained herein or in any other document, Bank shall have the right to exercise its status as an assignee under this Assignment and take the following action without notice to Grantor:

- a. enter upon, take possession of, manage and operate the Real Estate or any part thereof;
- b. demand, collect and receive from the lessees the rents, income or profits under the Lease(s) as they become due as well as all past due rents, income and profits which have been uncollected by Grantor;
- c. endorse the name of Grantor or any subsequent owner of the premises on any checks, notes, or other instruments for the payment of money, deposit the same in bank accounts, and give any and all acquittances or any other instrument in relation thereto in the name of Grantor;
- d. institute, prosecute, settle, or compromise any summary or legal proceedings in the name of Grantor or in the name of Bank for the recovery of such rents, income or profits, for the recovery of any damages done to the premises, for the abatement of any nuisance thereon, for the eviction of any lessee or for the enforcement of any Lease(s), and defend any legal proceedings brought against Grantor arising out of the operation of the premises;
- e. pay all reasonable charges, expenses and fees reasonably necessary or expedient for the leasing, maintaining and operation of the premises;
- f. exercise all the rights and privileges of Grantor as owner of the premises including the right to let or relet the premises, or any part thereof, and to collect the rents, income and profits under such new Lease(s) in accordance with the foregoing.
- g. perform any of Grantor's obligations to the lessees under the Lease(s), exercise any of Grantor's rights, power or privileges under the Lease(s), and modify the Lease(s);
- h. apply the rentals received to expenses incurred by Bank hereunder or to reduce the indebtedness under the Note and mortgage, in such amounts and in such order as Bank in its sole discretion shall determine;
- i. at its election, assume any of the obligations of Grantor or its assigns to the lessees under the Lease(s); or
- j. exercise any of Bank's rights or remedies under any other agreement or as provided by law.

8. Obligations of Bank and Indemnity.

- a. Grantor hereby appoints Bank as its agent to exercise, at Bank's option, any of the rights set forth in section 7. All obligations created by the exercise of such agency shall be those of Grantor and not those of Bank except as otherwise provided herein. Grantor hereby ratifies and confirms all that Bank shall lawfully do or cause to be done by virtue hereof.
- b. Bank shall only be accountable for money actually received pursuant to this Assignment. The manner of the application of such rentals and the item or items which shall be credited thereby shall be within the sole and uncontrolled discretion of Bank. Bank shall in no way be responsible in excess of rents actually received by Bank for any debt incurred in respect of the premises. After Grantor shall have been barred and foreclosed of all right, title and interest and equity of redemption in said premises, Bank shall not be liable to account to Grantor for the rents, income and profits thereafter accruing.
- c. Bank shall in no way be responsible or liable to Grantor for the failure or refusal on its part to make repairs to the premises.
- d. Except as otherwise provided herein, this Assignment shall not operate to place responsibility for the control, care, management or repair of the premises upon Bank, nor for the carrying out of any of the terms and conditions of the Lease(s), unless such responsibility is specifically assumed by Bank in writing; nor shall it operate to make Bank responsible or liable for any waste committed on the premises by the lessees or any other party, or for any dangerous or defective condition of the premises, or for any negligence in the management, upkeep, repair or control of said premises resulting in loss or injury or death to any tenant, licensee, employee or stranger.
- e. Grantor hereby indemnifies and holds Bank harmless of and from any and all liability, loss or damage which Bank may incur under the Lease(s) or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against Bank by reason of any alleged obligation or undertaking to be performed or discharged by Bank under the Lease(s) or this Assignment. Should the Bank incur any such liability, loss or damage under the Lease(s) or under or by reason of this Assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and Grantor shall reimburse Bank therefor immediately upon demand, and upon the failure of Grantor to do so Bank may declare all sums secured hereby immediately due and payable.
- f. Nothing herein contained shall be construed to bind Bank to the performance of any of the terms and provisions contained in the Lease(s) or otherwise to impose any obligation on Bank to do any act which it may be authorized hereunder to do.

9. Notice to Lessee. Grantor irrevocably consents that the lessee under the Lease(s), upon demand and notice from Bank of the occurrence of a default under the Mortgage Note, or under any other Obligation of Grantor, or either of them, to Bank, may and shall pay said rents, income and profits under the Lease(s) to Bank without liability of lessee for the determination of the actual existence of any default claimed by Bank. Grantor hereby irrevocably authorizes and directs lessee, upon receipt of any notice of Bank stating that such a default exists, to pay to Bank the rents, income and profits due and to become due under the Lease(s). Grantor agrees that lessee shall have the right to rely upon any such notices of Bank and that lessee shall pay such rents, income and profits of Bank without any obligation or right to inquire whether such default actually exists, and notwithstanding any claim of Grantor to the contrary. Grantor shall have no claim against lessee for any rents paid by lessee to Bank. Upon the curing of all such defaults, Bank shall give written notice thereof to lessee and thereafter, until further notice from Bank, lessee shall pay such rents, income and profits to Grantor.

10. Termination. This Agreement shall remain in full force and effect until Bank provides Grantor with written notice of the termination hereof.

11. Assignment. Grantor shall not be entitled to assign any of its rights, remedies or obligations described in this Assignment without the prior written consent of Bank. Bank shall be entitled to assign some or all of its rights and remedies described in this Agreement upon thirty (30) days written notice to Grantor.

12. **Modification and Waiver.** The modification or waiver of any of Grantor's Obligations or Bank's rights under this Assignment must be contained in a writing signed by Bank. Bank may perform any of Grantor's obligations or delay or fail to exercise any of its rights without causing a waiver of those obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Grantor's obligations under this Agreement shall not be affected if Bank amends, compromises, exchanges, fails to exercise, impairs or releases any of the Obligations belonging to any Grantor or third party or any of its rights against any Grantor, third party or collateral.
13. **Grantor's to Obtain Lessee's Consent to Assignment.** Grantor agrees that as a further condition precedent to the loan being made by the Bank to Grantor, it shall be the responsibility of Grantor, if requested by Bank, to obtain each lessee's execution of a Consent to Assignment in the form of Exhibit "A" attached hereto and by reference made a part hereof, and to deliver same to Bank. Grantor agrees to execute the Landlord's Consent constituting a part of the Consent to Assignment. Grantor further agrees to immediately obtain the consent of any additional or substitute lessees under any future lease of the real estate, if requested by the Bank.
14. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of Grantor and Bank and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees, and devisees.
15. **Severability.** If any provision of this Agreement violates the law or is unenforceable, the rest of the Agreement shall remain valid.
16. **Applicable Law.** This Agreement shall be governed by the laws of the state of Indiana.
17. **Collection Costs.** If Bank hires an attorney to assist in collecting any amount due or enforcing any right or remedy under this Agreement, Grantor agrees to pay Bank's reasonable attorneys' fees and collection costs.
18. **Miscellaneous.** This Agreement is executed for commercial purposes. If there is more than one Grantor, their obligations shall be joint and several. This Agreement and any related documents represent the complete and integrated understanding between Grantor and Bank pertaining to the terms and conditions of those documents.

IN WITNESS WHEREOF, Grantor has executed this Assignment of Leases and Rents this 30 day of JULY, 19 96.

Grantor:



Ralph D. Artim

 Ralph D. Artim



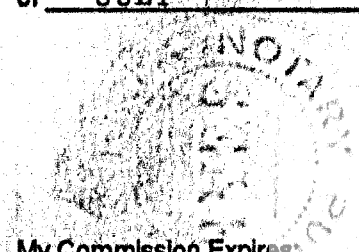
THE STATE OF INDIANA)

COUNTY OF LAKE)

ss:

ACKNOWLEDGMENT

Before me, a Notary Public in and for said County and State personally appeared Ralph D. Artim,
President of dba Artim Industrial Property and acknowledged the execution of the above and foregoing
ASSIGNMENT OF LEASES AND RENTS for and on behalf of Artim Industrial Property, this 30th day
of JULY, 19 96.



Susan M. Downing

SUSAN M. DOWNING
(typed or printed name)
Residing in LAKE County, Indiana

Notary Public

My Commission Expires:

APRIL 10 1999

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

STOP

This instrument was prepared by:
Lewis C. Laderer, Jr.
Laderer & Fischer, PC
112 West Jefferson Blvd., Suite 310
South Bend, Indiana 46601

