

3. Hold for Indiana Title

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

97072182

97 OCT 23 PM 1:37

MORRIS W. CARTER
RECORDER

RECORDATION REQUESTED BY:

PINNACLE BANK
8400 LOUISIANA
MERRILLVILLE, IN 46410

WHEN RECORDED MAIL TO:

PINNACLE BANK
8400 LOUISIANA
MERRILLVILLE, IN 46410

SEND TAX NOTICES TO:

DOUGLAS R. KVACHKOFF and PATRICIA A.
KVACHKOFF
821 QUAIL DRIVE
CROWN POINT, IN 46307

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

ASSIGNMENT OF RENTS

THIS ASSIGNMENT OF RENTS IS DATED OCTOBER 15, 1997, between DOUGLAS R. KVACHKOFF and PATRICIA A. KVACHKOFF, whose address is 821 QUAIL DRIVE, CROWN POINT, IN 46307 (referred to below as "Grantor"); and PINNACLE BANK, whose address is 8400 LOUISIANA, MERRILLVILLE, IN 46410 (referred to below as "Lender").

ASSIGNMENT. For valuable consideration, Grantor assigns, grants a continuing security interest in, and conveys to Lender all of Grantor's right, title, and interest in and to the Rents from the following described Property located in LAKE County, State of Indiana:

PART OF THE EAST HALF OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 34 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN THE CITY OF CROWN POINT, LAKE COUNTY, INDIANA, DESCRIBED AS BEGINNING AT A POINT ON THE EAST LINE OF SAID TRACT 5 FEET NORTH OF THE INTERSECTION OF THE NORTH LINE OF PORTER STREET IN RAILROAD ADDITION THEREWITH; THENCE WEST OF THE CENTER LINE OF COURT STREET; THENCE SOUTH 68.5 FEET; THENCE EAST TO THE EAST LINE OF SAID TRACT AFORESAID; THENCE NORTH 68.5 FEET TO THE POINT OF BEGINNING, EXCEPT THE WEST 115 FEET THEREOF

The Real Property or its address is commonly known as 325 N. MAIN STREET, CROWN POINT, IN 46307.

14/00
K. 8/21/2000

The Real Property tax identification number is KEY 23-09-0320-0041.

DEFINITIONS. The following words shall have the following meanings when used in this Assignment. Terms not otherwise defined in this Assignment shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Assignment. The word "Assignment" means this Assignment of Rents between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Rents.

Event of Default. The words "Event of Default" mean and include without limitation any of the Events of Default set forth below in the section titled "Events of Default."

Grantor. The word "Grantor" means DOUGLAS R. KVACHKOFF and PATRICIA A. KVACHKOFF.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Assignment, including, but not limited to, attorneys' fees, cost of collection and costs of foreclosure, together with interest on such amounts as provided in this Assignment. In addition to the Note, the word "Indebtedness" includes all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor, or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, absolute or contingent, liquidated or unliquidated and whether Grantor may be liable individually or jointly with others, whether obligated as guarantor or otherwise, and whether recovery upon such Indebtedness may be or hereafter may become barred by any statute of limitations, and whether such Indebtedness may be or hereafter may become otherwise unenforceable. Specifically, without limitation, this Assignment secures, in addition to the amounts specified in the Note, all future obligations and advances which Lender may make to Grantor, together with all interest thereon, whether such future obligations and advances arise out of the Note, this Assignment or otherwise. This Assignment also secures all modifications, extensions, and renewals of the Note, the Assignment, or any other amounts expended by Lender on Grantor's behalf as provided for in this Assignment.

Lender. The word "Lender" means PINNACLE BANK, its successors and assigns.

Note. The word "Note" means the promissory note or credit agreement dated October 15, 1997, in the original principal amount of \$230,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Property. The word "Property" means the real property, and all improvements thereon, described above in the "Assignment" section.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Property Definition" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all rents, revenues, income, issues, profits and proceeds from the Property, whether due now or later, including without limitation all Rents from all leases described on any exhibit attached to this Assignment.

THIS ASSIGNMENT IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ANY AND ALL OBLIGATIONS OF GRANTOR UNDER THE NOTE, THIS ASSIGNMENT, AND THE RELATED DOCUMENTS. THIS ASSIGNMENT IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in this Assignment or any Related Document, Grantor shall pay to Lender all amounts secured by this Assignment as they become due, and shall strictly perform all of Grantor's obligations under this Assignment. Unless and until Lender exercises its right to collect the Rents as provided below and so long as there is no default under this Assignment, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents, provided that the granting of the right to collect the Rents shall not constitute Lender's consent to the use of cash collateral in a bankruptcy proceeding.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE RENTS. With respect to the Rents, Grantor represents and warrants to Lender that:

Ownership. Grantor is entitled to receive the Rents free and clear of all rights, loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

Right to Assign. Grantor has the full right, power, and authority to enter into this Assignment and to assign and convey the Rents to Lender.

No Prior Assignment. Grantor has not previously assigned or conveyed the Rents to any other person by any instrument now in force.

No Further Transfer. Grantor will not sell, assign, encumber, or otherwise dispose of any of Grantor's rights in the Rents except as provided in this Agreement.

LENDER'S RIGHT TO COLLECT RENTS. Lender shall have the right at any time, and even though no default shall have occurred under this Assignment, to collect and receive the Rents. For this purpose, Lender is hereby

Multiple Parties. All obligations of Grantor under this Assignment shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Assignment.

No Modification. Grantor shall not enter into any agreement with the holder of any mortgage, deed of trust, or other security agreement which has priority over this Assignment by which that agreement is modified, amended, extended, or renewed without the prior written consent of Lender. Grantor shall neither request nor accept any future advances under any such security agreement without the prior written consent of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Assignment to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Assignment in all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the limitations stated in this Assignment on transfer of Grantor's interest, this Assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Assignment and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Assignment or liability under the indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Assignment.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this Assignment (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Assignment shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in this Assignment, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS ASSIGNMENT OF RENTS, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

x *Douglas R. Kvachkoff*
DOUGLAS R. KVACHKOFF

x *Patricia A. Kvachkoff*
PATRICIA A. KVACHKOFF

INDIVIDUAL ACKNOWLEDGMENT

STATE OF INDIANA)

) ss

COUNTY OF LAKE)

On this day before me, the undersigned Notary Public, personally appeared **DOUGLAS R. KVACHKOFF** and **PATRICIA A. KVACHKOFF**, to me known to be the individuals described in and who executed the Assignment of Rents, and acknowledged that they signed the Assignment as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 15th day of October, 19 97.

By *Melissa B. Lesch* Residing at _____
Melissa B. Lesch

MELISSA B. LESCH, Notary Public
My commission expires November 24, 2000
Resident of Lake County, Indiana

Notary Public In and for the State of _____

My commission expires _____

This Assignment of Rents was prepared by: JENNIFER GEDERT

10-15-1997
Loan No 181586

ASSIGNMENT OF RENTS
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RECORDING PAGE