

**ASSIGNMENT OF LEASE**

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WHEREAS, under date of October 16, 1997, Laura Lynne Toys, Inc., as Lessee, entered into a Lease Agreement with Merrillville Business Complex, as Lessor, under which the Lessor demised to Lessee premises situated at 2028 W. 81st Avenue, Merrillville, IN 46410, in the County of Lake, State of Indiana, for the term from October 1, 1997 to September 30, 2000 with two (2) two-year options.

WHEREAS, Lessee has heretofore made application to Peoples Bank SB (hereinafter called "Lender") for a loan in the amount of Seventy Seven Thousand (\$77,000.00) Dollars, which loan has been conditionally authorized; and

WHEREAS, one of the conditions for the making of the loan is the assignment by Lessee to the Lender of Lessee's interest in said lease as collateral security for the loan indebtedness,

NOW THEREFORE, for value received and as an inducement to Lender to make disbursement of the loan, Lessee does hereby convey, assign, with the right of reassignment, transfer and set over unto Lender all its right, title and interest in, to and under the lease. However, so long as Lender has not entered into possession of the premises for the purpose of operating the business, Lender shall not be liable for the performance of any of the lease obligations, agreements, and covenants, including but not limited to the obligation to pay rent. Lessee shall remain liable for the performance of all such obligation to pay rent.

DATED, this 16th day of October, 1997.

Laura Lynne Toys, Inc.

# 97072521

*Jeffery P. Coleman*  
Jeffery P. Coleman, President

97072522

**LESSOR'S CONSENT**

Lessor hereby consents to the foregoing assignment. However, this consent does not authorize any reassignment of the lease without the prior consent of Lessor.

Further, Lessor agrees that so long as the Lender has not entered into possession of the premises for the purpose of operating the business, Lender shall not be liable for the rent or any of the obligations of the Lessee who shall remain liable for the rent and all other obligations contained in said lease.

Lessor agrees to give the Lender thirty (30) days written notice prior to terminating the lease or a breach of any covenant, agreement, or condition contained in the lease and grants to Lender the privilege either to conduct on the leased premises a secured party sale of any property of Lessee in which Lender has a security interest or to remove that property from the leased premises.

Lessor recognized the security interest of Lender in Lessee's property and waives any lien rights in that property it may have by virtue of its lease.

DATED, this 16 day of Oct., 1997.

Merrillville Business Complex

*Macy A. Kaminsky*  
Macy A. Kaminsky

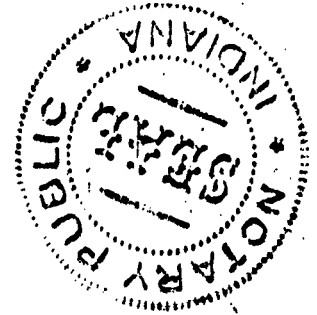
STATE OF INDIANA  
LAKE COUNTY  
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OFFICE OF THE CLERK

THE STATE OF INDIANA

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) SS:

THE COUNTY OF LAKE



Before me a Notary Public in and for the above County and State, personally appeared Jeffery P Coleman and acknowledged the execution of the above and foregoing instrument, this 16th day of October, 1997.

Witness my hand and notarial seal this 16th day of October, 1997.

CARLA J DOHL

Notary Public

My Commission Expires:

A resident of LAKE County, Indiana

JANUARY 11, 2000

CARLA J DOHL

Printed Name of Notary Public