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PREPARED BY AND  
WHEN RECORDED MAIL TO:  
Stephen H. Malato  
Hinshaw & Culbertson  
222 North LaSalle Street  
Suite 300  
Chicago, Illinois 60601

STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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NOV 13 1999  
RECORDER

LOAN NO. 3539

ADDRESS: 900-962 Cypress Point Drive,  
Crown Point, Indiana

TAX NO.: 9-410-45

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ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS, made this October 7, 1999, by LAKE COUNTY TRUST COMPANY, not personally but solely as Trustee pursuant to the provisions of a Trust Agreement dated March 1, 1977 and known as Trust No. 2493 ("Trust") and GEORGE NOVOGRODER the owner of one hundred percent (100%) of the beneficial interest of Trust ("Beneficiary") (Trust and Beneficiary collectively "Assignor") in favor of GE LIFE AND ANNUITY ASSURANCE COMPANY, a Washington corporation ("Assignee");

RECITALS:

A. Trust executed and delivered its Promissory Note ("Note") of even date herewith, payable to the order of Assignee, in the principal amount of SIX MILLION AND NO/100 DOLLARS (\$6,000,000.00) ("Loan"), and, as security therefor, executed and delivered its Mortgage ("Mortgage") of even date herewith, in favor of Assignee, conveying certain land situated in the City of Crown Point, Lake County, Indiana, legally described on Exhibit "A" attached hereto ("Land") and the improvements situated thereon ("Improvements") (Land and Improvements and referred to collectively as the "Property").

B. Trust and Beneficiary or their authorized agents, as landlord, executed certain lease agreements (collectively "Leases") with the occupancy tenants of Property (collectively "Tenants").

C. As additional security for the payment of Loan, interest and all other sums due and owing to Assignee pursuant to "Loan Documents" (as such term is defined in Mortgage) (collectively "Indebtedness"), and the performance of all of the terms, covenants, conditions and

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agreements contained in Loan Documents, Assignor agreed to assign to Assignee all of its right, title and interest in and to Leases and Future Leases (as hereinafter defined).

NOW, THEREFORE, in consideration of the disbursement of the proceeds of Loan by Assignee and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, Assignor:

1. Hereby grants a security interest in and sells, assigns, transfers and sets over unto Assignee one hundred percent (100%) of Assignor's right, title and interest in and to Leases together with all rents, income or other sums payable by the provisions thereof ("Rents") and all future lease agreements which may be executed by Assignor, or its authorized agents, as landlord, with occupancy tenants of Property ("Future Tenants"), at any time hereafter ("Future Leases"), and all rents, income or other sums payable by the provisions of Future Leases ("Future Rents"), it being the intention of Assignor to make and establish an absolute transfer and assignment of Leases, Rents, Future Leases and Future Rents.

2. Agrees that this Assignment is made for the purpose of securing payment of Indebtedness and the performance and discharge of each and every obligation, covenant and agreement required pursuant to Loan Documents.

3. Represents, warrants and covenants that:

- (a) Assignor is the sole owner of one hundred percent (100%) of landlord's right, title and interest in and to Leases ;
- (b) The Leases are valid and enforceable and have not been altered, modified or amended since the date the same were delivered to Assignee;
- (c) to the best of its knowledge, Tenants are not in default in the performance of any of the terms, covenants, conditions or agreements required of Tenants pursuant to Leases ; and
- (d) no part of Rents have previously assigned and no part thereof for any period subsequent to the date hereof, except for the current month, have been collected in advance of the due date thereof.

4. Shall observe and perform all of the obligations imposed upon Assignor, as landlord, pursuant to Leases and Future Leases and shall:

- (a) faithfully abide by, perform and discharge each and every obligation, covenant and agreement under any Leases and Future Leases to be performed by the landlord thereunder to preserve the Leases and Future Leases in force free from any right of counterclaim, defense or set off;



- (b) enforce or secure the performance of each and every material obligation, covenant, condition and agreement of the Leases and Future Leases by the Tenants and Future Tenants to be performed;
- (c) not borrow against, pledge or further assign any Rents or Future Rents;
- (d) not permit the prepayment of any Rents or Future Rents for more than one month in advance nor for more than the next accruing installment of rents, nor anticipate, discount, compromise, forgive or waive any such rents;
- (e) not waive, excuse, condone or in any manner release or discharge the Tenants or Future Tenants of or from the obligations, covenants, conditions and agreements to be performed by the Tenants or any Future Tenants under the Leases or Future Leases;
- (f) not permit Tenants or any Future Tenants to assign or sublet its interest in any of the Leases or Future Leases unless required to do so by the terms of the Leases or Future Leases and then only if such assignment does not work to relieve such tenant of any liability for payment of and performance of its obligations under the Leases or Future Leases;
- (g) not consent to a subordination of the interest of the Tenants or Future Tenants to any party other than Assignee;
- (h) not amend or modify the Leases or any Future Leases or alter the obligations of the parties thereunder, excepting in the ordinary and prudent course of business with due regard for the security afforded the Assignee by the Leases or Future Leases;
- (i) not perform any acts and will not execute any instrument which would prevent Assignee from exercising its rights under this Assignment or any other Loan Documents; and
- (j) at Assignee's request, execute and deliver all such further assurances and assignments as Assignee shall, from time to time, reasonably require with respect to the Leases and Future Leases.

5. Agrees that this Assignment is absolute and is effective immediately, PROVIDED HOWEVER, that Assignor shall have the right, so long as no "Default" (as such term is defined in Mortgage) shall exist, to collect Rents and Future Rents, when due but not prior thereto, and retain, use and enjoy the same.

6. Agrees that at any time following a Default, Assignee may, at its option, either in person or through its agent or a receiver appointed by a court of competent jurisdiction, without

notice and without, in any way, waiving such Default and without regard to the adequacy of the security for Indebtedness and with or without instituting any action or proceeding:

- (a) take possession of Property and hold, manage, lease and operate the same on such terms and for such periods of time as Assignee may deem proper;
- (b) with or without taking possession of Property, in its own name, institute suit or otherwise collect and receive Rents and Future Rents, including Rents and Future Rents past due and unpaid, with full power to make, from time to time, all alterations, renovations, repairs or replacements thereto or thereof as Assignee may deem proper; and
- (c) apply Rents and Future Rents to the payment of: (i) all costs and expenses incurred in managing Property (including, but not limited to, the salaries, fees and wages of the managing agent thereof and other employees of Assignor); (ii) all expenses of operating and maintaining Property (including, but not limited to, all taxes, charges, claims, assessments, water rents, sewer rents and other liens and premiums for all insurance coverages which Assignee may deem necessary); (iii) all costs of alteration, renovation, repair or replacement of Property; (iv) all expenses incident to the taking and retaining of possession thereof; and (v) Indebtedness and all costs, expenses and reasonable attorneys' fees incurred by Assignee by reason hereof; and apply the same in such order of priority as Assignee, in its sole discretion, may determine, any statute, law, custom or use to the contrary notwithstanding.

7. Agrees that Assignee shall not be:

- (a) liable for any loss sustained by Assignor resulting from Assignee's failure to let Property following the occurrence of a Default or by reason of any other act or omission of Assignee in managing the same following a Default, other than any loss or damage which may be incurred by Assignor by reason of Assignee's negligence or acts and deeds following the exercise of Assignee's rights pursuant hereto or pursuant to the Leases and Future Leases; or
- (b) obligated to perform or discharge, nor does Assignee hereby undertake to perform or discharge, any obligation, duty or liability of Assignor pursuant hereto or pursuant to the Leases and Future Leases and, with respect thereto, Assignor shall, and does hereby agree to indemnify Assignee for and hold Assignee harmless from any and all liability, loss or damage which may or might be incurred by reason thereof and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants, conditions and agreements required



of Assignor pursuant hereto or pursuant to the Leases and Future Leases, PROVIDED THAT such indemnification shall not include any liability, loss or damage which may be incurred by Assignee by reason of its negligence or acts and deeds following the exercise of Assignee's rights pursuant hereto or pursuant to the Leases and Future Leases.

If Assignee incurs any liability pursuant to this Assignment of Leases and Rents or pursuant to the Leases and Future Leases or in defense of any such claim or demand, the amount thereof including costs, expenses and reasonable attorneys' fees (but exclusive of any costs, expenses and attorneys' fees incurred by Assignee by reason of its acts and deeds following the exercise of Assignee's rights pursuant hereto or pursuant to the Leases and Future Leases) shall be secured by Mortgage and other Loan Documents and Assignor shall reimburse Assignee therefor, immediately upon demand and in the event of the failure of Assignor so to do, Assignee may, at its option, declare Indebtedness immediately due and payable.

8. Agrees that this Assignment shall not operate to place upon Assignee any responsibility, prior to the exercise of Assignee's rights pursuant hereto, for the control, care, management or repair of Property or for the performance of any of the terms, covenants, conditions and agreements required of Assignor, as landlord, pursuant to the Leases and Future Leases nor is the same intended to make Assignee, prior to the exercise of Assignee's rights pursuant hereto, responsible or liable for any:

- (a) waste committed on Property by Tenants, Future Tenants or any other party;
- (b) dangerous or defective condition of Property; or
- (c) negligence in the management, upkeep, repair or control of Property resulting in loss, injury or death any Tenants, Future Tenants, licensee, employee or stranger.

9. Agrees that any affidavit, certificate, letter or statement of any officer, agent or attorney of Assignee, made in good faith, setting forth that any part of Indebtedness remains unpaid, shall be and constitute evidence of the validity, effectiveness and continuing force and effect of this Assignment (all persons being hereby authorized to rely thereon). Assignor hereby authorizes and directs the Tenants, Future Tenants or other occupants of Property, upon receipt from Assignee of written notice to the effect that Assignee is then the holder of Loan Documents and that a Default exists pursuant thereunder or pursuant thereto, to pay Rents and Future Rents to Assignee until otherwise notified by Assignee, in writing, to the contrary.

10. Agrees that Assignee may take or release any security given for the payment of Indebtedness, release any party primarily or secondarily liable therefor and apply any other security, in its possession, to the satisfaction of Indebtedness, without prejudice to any of its rights pursuant hereto.

11. Agrees that the terms "Leases" and "Future Leases" shall include any permitted subleases and permitted assignments thereof and all extensions or renewals of the Leases, Future Leases and subleases thereof.

12. Agrees that:

- (a) nothing contained herein and no act done or omitted to be done by Assignee pursuant to the powers and rights granted to it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies pursuant to Loan Documents;
- (b) this Assignment is made without prejudice to any of the rights and remedies possessed by Assignee thereunder; and
- (c) the right of Assignee to collect Indebtedness and to enforce any security therefor in its possession may be exercised by Assignee either prior to, concurrently with or subsequent to any action taken by it pursuant hereto.

13. Agrees that any notice, consent or other communication to be given hereunder shall be in writing and shall be served either personally (by a same-day courier service) or by a nationally recognized "overnight" courier service (which shall be deemed received on the date of delivery thereof) or mailed by United States certified or registered mail, postage paid, return receipt requested (which shall be deemed received three [3] business days following the postmark date thereof), to Assignee and Assignor as follows:

If to Beneficiary:

GEORGE NOVOGRODER  
875 North Michigan Avenue, Chicago, Illinois 60611  
Attention: George Novogroder

If to Trust:

LAKE COUNTY TRUST COMPANY

If to Assignor, in triplicate to:

GE LIFE AND ANNUITY ASSURANCE COMPANY  
c/o GE Financial Assurance Two Union Square, 601 Union Street,  
Suite 1400, Seattle, Washington 98101

14. Agrees that in the event of any conflict between the terms hereof and the terms of Mortgage, the terms of this Assignment shall prevail.

15. Agrees that this Assignment and all covenants and warranties herein contained shall inure to the benefit of Assignee, its successors, assigns, grantees and legal representatives and shall be binding upon Assignor and its successors, assigns, grantees and legal representatives.



16. Upon the payment in full of Indebtedness and provided Assignor has no continuing obligations pursuant to Loan Documents, this Assignment shall be null and void and an appropriate instrument of reconveyance or release shall be promptly made by Assignee to Assignor, at Assignor's expense.

17. Indebtedness is a non-recourse obligation of Assignor. It is expressly understood that nothing herein or in other Loan Documents contained shall be construed as establishing any personal liability on Assignor, its agents or employees, to pay Indebtedness or to perform any of the conditions herein contained, all such personal liability being expressly waived by Assignee; Assignee's only recourse against Assignor being against Property and other property given as security for the payment of Indebtedness, in the manner herein, in other Loan Documents and by law provided. NOTWITHSTANDING THE FOREGOING, nothing contained herein or in other Loan Documents shall be deemed to have released Assignor from the limited liability imposed upon Assignor pursuant to the terms of the Note or the "Indemnity" (as such term is defined in Note).

The Trust in executing this Assignment of Leases and Rents as Trustee is doing so only in the capacity of Trustee of the Trust Agreement which established Beneficiary. No personal liability is imposed upon the Trustee, individually. The Trustee is executing this Assignment of Leases and Rents solely for the purpose of imposing liability upon the assets of Beneficiary.

IN WITNESS WHEREOF, Assignor has executed this Assignment of Leases and Rents on the day and year first above written.

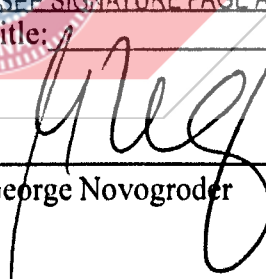
TRUST:

LAKE COUNTY TRUST COMPANY not personally  
but as Trustee aforesaid

By: SEE SIGNATURE PAGE ATTACHED

Title: \_\_\_\_\_

BENEFICIARY:

  
George Novogroder

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against LAKE COUNTY TRUST COMPANY on account of this instrument or on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

Nothing contained herein shall be construed as creating any liability on LAKE COUNTY TRUST COMPANY, personally under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or the Indiana Responsible Property Transfer Law (the Act) as amended from time to time or any other Federal, State or local law, rule or regulation. LAKE COUNTY TRUST COMPANY, personally is not a "Transferor or Transferee" under the Act and makes no representations concerning any possible environmental defects. In making any warranty herein the Trustee is relying solely on information furnished to it by the beneficiaries and not of its own knowledge and specifically exculpates itself from any liabilities, responsibilities or damages as a result of including any warranty in this instrument.

The information contained in this instrument has been furnished the undersigned by the beneficiaries under aforesaid Trust and the statements made therein are made solely in reliance thereon and no responsibility is assumed by the undersigned, in its individual capacity for the truth or accuracy of the facts herein stated.

(Page 1 of 2 pages of Trustee's Signature Page)

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IN WITNESS WHEREOF, LAKE COUNTY TRUST COMPANY, not personally but as Trustee as aforesaid, has caused these presents to be signed by its Assistant Trust Officer and attested by its Assistant Secretary this 7th day of October, 1999.

LAKE COUNTY TRUST COMPANY, not personally but as Trustee under the provisions of a Trust Agreement dated March 1, 1977, and known as Trust No. 2493.

By: Sandra L. Stiglitz  
Sandra L. Stiglitz, Assistant Trust Officer

**NOT OFFICIAL!**  
This Document is a Corporation Seal  
the Lake County Recorder!

ATTEST:

BY: Judy Griesel  
Judy Griesel, Assistant Secretary

STATE OF INDIANA )

)SS:

COUNTY OF LAKE )

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Officers of LAKE COUNTY TRUST COMPANY, who acknowledged the execution of the foregoing instrument as the free and voluntary act of said Corporation and as their free and voluntary act, acting for such Corporation, as Trustee.

Witness my hand and seal this 7<sup>th</sup> day of October, 1999.

Tammy J. Forbes  
Tammy J. Forbes - Notary Public

My Commission Expires: 12-28-2006

Resident Lake County, Indiana

(Page 2 of 2 pages of Trustee's Signature Pages)

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

The undersigned, a Notary Public in and for said County, in the State aforesaid, DOES HEREBY CERTIFY that George Novogroder, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 7th day of October, 1999.

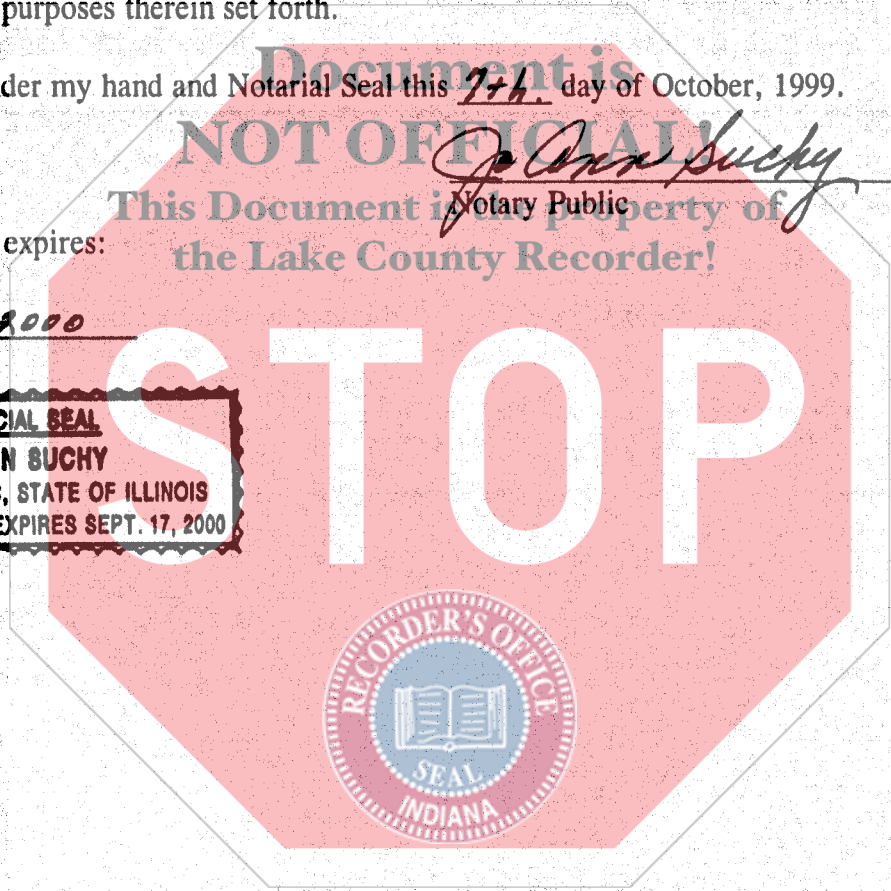
*Joanna Suchy*  
\_\_\_\_\_  
Notary Public

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My commission expires:

SEPT 17, 2000

**OFFICIAL SEAL**  
**JOANN SUCHY**  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES SEPT. 17, 2000



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STATE OF \_\_\_\_\_ )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

The undersigned, a Notary Public in and for and residing in said County, in the State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_, \_\_\_\_\_ President of Lake County Trust Company ("Bank"), and \_\_\_\_\_ thereof, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such \_\_\_\_\_ President and \_\_\_\_\_, aforesaid, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts and as the free and voluntary act of Bank, for the uses and purposes therein set forth; and the said \_\_\_\_\_ Secretary did also then and there acknowledge the \_\_\_\_\_ he, as custodian of the corporate seal of Bank, did affix the same to said instrument as \_\_\_\_\_ own free and voluntary act and as the free and voluntary act of Bank, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this \_\_\_\_\_ day of October, 1999.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_



**EXHIBIT "A"**

**LEGAL DESCRIPTION**

The property which is the subject of this Mortgage is situated in the County of Lake, State of Indiana, and is legally described as follows:

LOTS "A" AND "B" - HIGH MEADOWS, IN THE CITY OF CROWN POINT, AS PER PLAT THEREOF, RECORDED IN PLAT BOOK 44 PAGE 90, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA, BEING A RESUBDIVISION OF ALL OF HIGH MEADOWS UNIT NO. 1 AND A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 16, TOWNSHIP 34 NORTH, RANGE 8 WEST OF THE 2ND PRINCIPAL MERIDIAN, IN LAKE COUNTY, INDIANA.

