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STATE OF INDIANA  
LAKE COUNTY  
FILED FOR RECORD

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2000 MAR 17 11:10:00

**ASSIGNMENT OF LEASES AND RENTS WITH LESSEE'S CONSENT TO ASSIGNMENT OF LEASE**

MORTGAGE NUMBER

THIS ASSIGNMENT OF LEASES AND RENTS (as the same may be amended, modified or supplemented from time to time, the "Assignment"), dated as of the 10th day of March, 2000, from S-C Properties, LLC, (the "Assignor"), in favor of Northwest Indiana Regional Development Company (the "Assignee"), for further assignment by Assignee to the United States Small Business Administration, an agency of the United States (the "SBA"), recites and provides:

Assignee has agreed to make a loan to Assignor in the principal amount of Four Hundred Ninety One Thousand Dollars (\$491,000.00) (the "Loan") to provide financing for construction and improvements on the land described in Exhibit "A" hereto and the improvements thereon situated in the County of Lake, State of Indiana (collectively, the "Premises"). The Loan is evidenced by a promissory note of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Note") made by S-C Properties, LLC and payable to the order of Assignee in the principal amount of Four Hundred Ninety One Thousand Dollars (\$491,000.00). The Note is secured, in part, by a Mortgage of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Mortgage"). As a condition to making the Loan, the Assignee has required an assignment to the Assignee and any subsequent holder of the Note of all leases (individually, a "Lease," and collectively, the "Leases") of or relating to Assignor's interest in the Premises or any part thereof, now or hereafter existing, and all rents, issues and profits (the "Rents") now or hereafter arising from Assignor's interest in the Premises or any part thereof, all in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for an in consideration of the agreement of Assignee to make the Loan and as additional security for the payment of the Note, Assignor agrees as follows:

1. Assignment of Leases. Assignor hereby assigns, transfers and sets over to Assignee, and any subsequent holder of the Note, all Assignor's right, title and interest in and to all Leases and all renewals or extensions thereof, together with all the Rents now existing or hereafter arising. Prior to the election of Assignee to collect the Rents upon the occurrence of an Event of Default under the Mortgage, Assignor shall have the right to collect and dispose of the Rents without restriction.

2. Delivery of the Leases. All Leases currently in effect with respect to the Premises have been delivered to Assignee, are in full force and effect as of the date of this Assignment and neither Assignor nor any tenant is in default thereunder. Assignor shall not make any subsequent agreement for the lease of the Premises or any part thereof except in the ordinary course of business in accordance with the provisions of the Mortgage. All such subsequent Leases shall be subject to the prior written approval of Assignee, which approval shall not be unreasonably withheld, in accordance with the provisions of the Mortgage.

3. No Modification of the Leases. Without the prior written consent of Assignee, which consent shall not be unreasonably withheld, Assignor shall not:

- A. Cancel, terminate or accept any surrender of the Leases;
- B. Accept any prepayments for more than thirty (30) days of installments of rents under any of the Leases;
- C. Modify or abridge any of the terms, covenants and conditions of any of the Leases so as to reduce the terms thereof or the rental payments thereunder; or
- D. Change any renewal privileges contained in any of the Leases.

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HOLD FOR FIRST AMERICAN TITLE

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4. **Representations and Warranties.** Assignor represents and warrants that:

- A. The Rents now due or to become due for any periods subsequent to the date hereof have not been collected and payment thereof has not been anticipated for a period of more than one (1) month in advance, waived or released, discounted, set off or otherwise discharged or compromised except as set forth in the Leases;
- B. It has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued income other than the security deposits provided for in the Leases;
- C. It has not received any bona fide and acceptable offer to purchase the Premises or any part thereof which would in any way affect any right or option of first refusal to purchase all or any portion of the Premises now contained in any Lease; and
- D. It has not done anything which might prevent Assignee from or limit Assignee in operating under or enforcing any of the provisions thereof.

Assignor shall act in good faith to enforce or secure the performance of each and every obligation, covenant, condition and agreement to be performed by any tenants under all the Leases.

5. **Remedies Upon Default.** Immediately upon the occurrence of an Event of Default under the Mortgage and the expiration of any applicable cure period, Assignee is hereby expressly and irrevocably authorized to enter and take possession of the premises by actual physical possession, or by written notice served personally upon, or sent by registered or certified mail, postage prepaid, to Assignor, as Assignee may elect, and no further authorization shall be required. Following any such entry and taking of possession, Assignee may:

- A. Manage and operate the Premises or any part thereof;
- B. Lease any part or parts of the Premises for such periods of time, and upon such terms and conditions as Assignee may, in its discretion, deem proper;
- C. Enforce any of the Leases;
- D. Demand, collect, sue for, attach, levy, recover, receive, compromise and adjust, and make, execute and deliver receipts and releases for all Rents that may then or may thereafter become due, owing or payable with respect to the Premises, or any part thereof, from any present or future lessees, tenants, subtenants or occupants thereof;
- E. Institute, prosecute to completion or compromise and settle, all summary proceedings and actions for rent or for removing any and all lessees, tenants, subtenants or occupants of the Premises or any part or parts thereof;
- F. Enforce or enjoin or restrain the violation of any of the terms, provisions and conditions of any of the Leases;
- G. Make such repairs and alterations to the Premises as Assignee may, in its discretion, deem proper;

- H. Pay from and out of the Rents collected or from or out of any other funds, the insurance premiums and any other taxes, assessments, water rates, sewer rates or other governmental charges levied, assessed or imposed against the Premises or any portion thereof, and also any and all other charges, costs and expenses which it may deem necessary or advisable for Assignee to pay in the management or operation of the Premises, including (without limiting the generality of any rights, powers, privileges and authorities conferred in this Assignment) the costs of such repairs and alterations, commissions for renting the Premises, or any portions thereof, and legal expenses in enforcing claims, preparing papers or for any other services that may be required; and
- I. Generally, do, execute and perform any other act, deed, matter or thing whatsoever that ought to be done, executed and performed in and about or with respect to the Premises as fully as Assignor might do.

Assignee shall apply the net amounts of any Rents received by it from the Premises, after payment of proper costs and charges (including any loss or damage hereinafter referred to in Paragraph 8 hereof) to the reduction and payment of the indebtedness by the Note and secured by the Mortgage (the "Secured Indebtedness"). Assignor agrees not to seize or detain any property hereby assigned, transferred or set over to Assignee.

6. Disposition of Rents Upon Default. Assignor hereby irrevocably directs the tenants under the Leases upon demand and notice from Assignee of any Event of Default, to pay to Assignee all Rents accruing or due under the Leases from and after the receipt of such demand and notice. Such tenants in making such payments to Assignee shall be under no obligation to inquire into or determine the actual existence of any such Event of Default claimed by Assignee.

7. Attornment. To the extent not provided by applicable law, each Lease of the Premises or of any part thereof shall provide that in the event of the enforcement by Assignee of the remedies provided for by law or by this Assignment, the tenant thereunder will, upon request of any person succeeding to the interest of Assignor as a result of such enforcement, automatically become the tenant of such successor-in-interest, without change in the terms or other provisions of said Leases; provided, however, that the successor-in-interest shall not be bound by:

- A. Any payment of rent or additional rent for more than one (1) month in advance, except prepayments in the nature of security for the performance by the tenant of its obligations under the Leases; or
- B. Any amendment or modification of said Leases made without the consent of Assignee or such successor-in-interest.

Each Lease also shall provide that, upon request by the successor-in-interest, the tenant shall execute and deliver an instrument or instruments confirming such attornment.

8. Indemnification. Assignor hereby agrees to indemnify and hold Assignee harmless from and against any and all liabilities, losses, damages and expenses, including reasonable attorneys' fees, which it may incur under any of the Leases, or by reason of this Assignment or by reason of any action taken by Assignee or Assignor

hereunder, and from and against 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 and conditions contained in any of the Leases. Should Assignee incur any such liabilities, losses, damages or expenses, the amount thereof, together with interest thereon at the rate set forth in the Note, shall be payable by Assignor to Assignee immediately upon demand therefor, or at the option of Assignee, Assignee may reimburse itself therefor out of any Rents collected by Assignee. Nothing contained herein shall operate or be construed to obligate Assignee to perform any of the terms, covenants and conditions contained in any of the Leases or otherwise to impose any obligation upon Assignee with respect to any of the Leases. This Assignment shall not operate to place upon Assignee any responsibility for the operation, control, care, management or repair of the Premises, and the execution of this Assignment by Assignor shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Premises is and shall be that of Assignor.

9. Further Assurances. Assignor agrees to execute and deliver to Assignee, at any time or times during which this Assignment shall be in effect, such further instruments as Assignee may deem necessary to make effective or more effective this Assignment and the covenants of Assignor herein contained.

10. No Waiver. Failure of Assignee to avail itself of any of the terms, covenants and conditions of this Assignment for any period of time, or any time or times, shall not be construed or deemed to be a waiver of any of its rights hereunder. The rights and remedies of Assignee under this Assignment are cumulative and are not in lieu of, but are in addition to, any other rights and remedies which Assignee shall have under or by virtue of any Loan documents. The rights and remedies of Assignee hereunder may be exercised from time to time and as often as such exercise is deemed expedient.

11. Assignment of Assignee's Rights. Any holder of the Secured Indebtedness shall have the right to assign to any subsequent holder of the Secured Indebtedness, the right, title and interest of Assignor hereby assigned, subject, however, to the provisions of this Assignment. In the event all the right, title and interest of Assignor in the Premises are barred or foreclosed, no assignee of the interest of Assignor shall be liable to account to Assignor for any Rents thereafter accruing.

12. Release. Upon payment in full of the Secured Indebtedness, as evidenced by a recorded satisfaction or release of the Mortgage, as well as any sums which may be payable hereunder, this Assignment shall become and be void and of no effect.

13. Amendments and Discharge. No change, amendment, modification, cancellation or discharge of this Assignment, or any part hereof, shall be valid unless Assignee shall have consented thereto in writing.

14. Successors and Assigns. The terms, covenants and conditions contained herein shall inure to the benefit of, and bind Assignor, Assignee and their successors and assigns.

15. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Indiana, without reference to conflict of laws principles.

16. Severability. If any provision of this Assignment, or the application hereof to any person, entity or circumstance, shall to any extent be invalid or unenforceable, the remainder of the provisions of this Assignment, or the application of such provision to other persons, entities or circumstances, shall not be affected thereby, and each provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

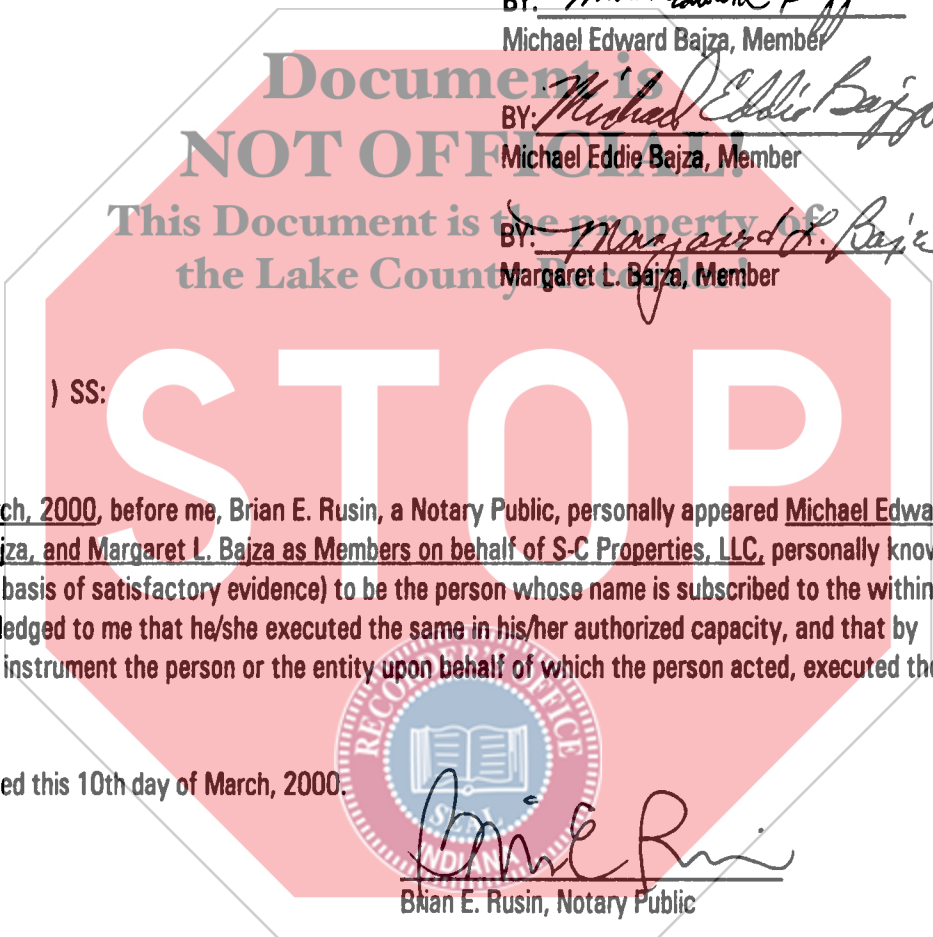
IN WITNESS WHEREOF, the undersigned has executed this Assignment as of the date first above written.

ASSIGNOR: S-C Properties, LLC

BY: Michael Edward Bajza  
Michael Edward Bajza, Member

BY: Michael Eddie Bajza  
Michael Eddie Bajza, Member

BY: Margaret L. Bajza  
Margaret L. Bajza, Member



STATE OF INDIANA )

) SS:

COUNTY OF LAKE )

On the 10th day of March, 2000, before me, Brian E. Rusin, a Notary Public, personally appeared Michael Edward Bajza, Michael Eddie Bajza, and Margaret L. Bajza as Members on behalf of S-C Properties, LLC, personally known to me (or proved on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Signed and sealed this 10th day of March, 2000.

Brian E. Rusin  
Brian E. Rusin, Notary Public

My Commission Expires: 04-09-00  
(SEAL)

County of Residence: Lake

Assignee does hereby sell, assign and transfer unto SBA, all of its right, title and interest to this Assignment of Leases and Rents.

ASSIGNEE: NORTHWEST INDIANA REGIONAL DEVELOPMENT COMPANY

By: Dennis M. Henson  
Dennis Henson, President

ATTEST:

BY: Mark McLaughlin  
Mark McLaughlin, Secretary

STATE OF INDIANA )

) SS:

COUNTY OF LAKE )

On the 10th day of March, 2000, before me, Brian E. Rusin, a Notary Public, personally appeared Dennis M. Henson, President, and Mark McLaughlin, Secretary on behalf of Northwest Indiana Regional Development Company personally known to me (or proved on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Signed and sealed this 10th day of March, 2000.

Brian E. Rusin  
Brian E. Rusin, Notary Public

My Commission Expires: 04-09-00

County of Residence: Lake

(SEAL)



**LESSEE'S CONSENT TO ASSIGNMENT OF LEASE**

The undersigned, The Smile Center Family Dentistry, P.C., a corporation duly organized under the laws of Indiana, as Lessee in the Lease identified in the foregoing Assignment of Lease, hereby joins in the execution of said instrument for the purpose of consenting to such an assignment, with the right of reassignment, and to all of the terms and conditions thereof. The undersigned hereby certifies that it has no agreements with the Assignor with respect to the property covered by the Lease or any plat thereof, other than those contained in the said Indenture of Lease, for the period covered by such Lease, that said Lease is valid and binding in accordance with its terms, and that no defaults presently exist thereunder.

Further, the undersigned agrees that so long as the Assignee has not foreclosed the pledge of the Lease Agreement and has not taken over the obligations of the Assignor, it shall not be liable for any of the duties or obligations of the Assignor-Lessor, who shall remain liable for all of the obligations contained in said Lease.

The undersigned agrees to give the Assignor and the Assignee thirty (30) days written notice of any default under the terms of said Lease as a condition precedent to the termination of Lease before taking any action for the purpose of terminating same for a breach of any covenant, agreement or condition contained in the Lease. Such notice shall specify the nature of the alleged default and if such default shall be cured either by Assignor or Assignee within said thirty (30) day period, then and in that event the Lessee shall not have the right to terminate the Lease pursuant to such notice.

The undersigned agrees that its interest as Lessee under the above described Indenture of Lease is subordinate and inferior to the interest of the Assignee as the holder and owner of a certain mortgage dated the 10th day of March, 2000, executed by the Assignor, as mortgagor, wherein the Assignee is named mortgagee, which said mortgage has been filed for record in \_\_\_\_\_ County, Indiana, on the \_\_\_ day of \_\_\_\_\_, 2000, as Document No. \_\_\_\_\_, and does hereby subordinate its interest as Lessee to said premises to the interest of the said mortgagee as herein described.

The undersigned does further agree that in the event that any proceeding under the Bankruptcy Act or any amendment thereto be commenced by or against the undersigned, its successors and assigns, or in the event of the filing of any action under any state insolvency law, or in the event the undersigned, its successors or assigns be otherwise adjudged insolvent or makes an assignment for the benefit of its creditors, assets thereof situated on demised premises, or on the leasehold estate created thereby, the said Lease, at the option of the Lessor or Assignee, shall immediately cease and terminate, and shall in no wise be treated as an asset of the undersigned, its successors and assigns, after exercise of the aforesaid option and Assignor-Lessor or Assignee shall have the right, after the exercise of the aforesaid option, to forthwith enter and repossess themselves of said premises as of the original estate.

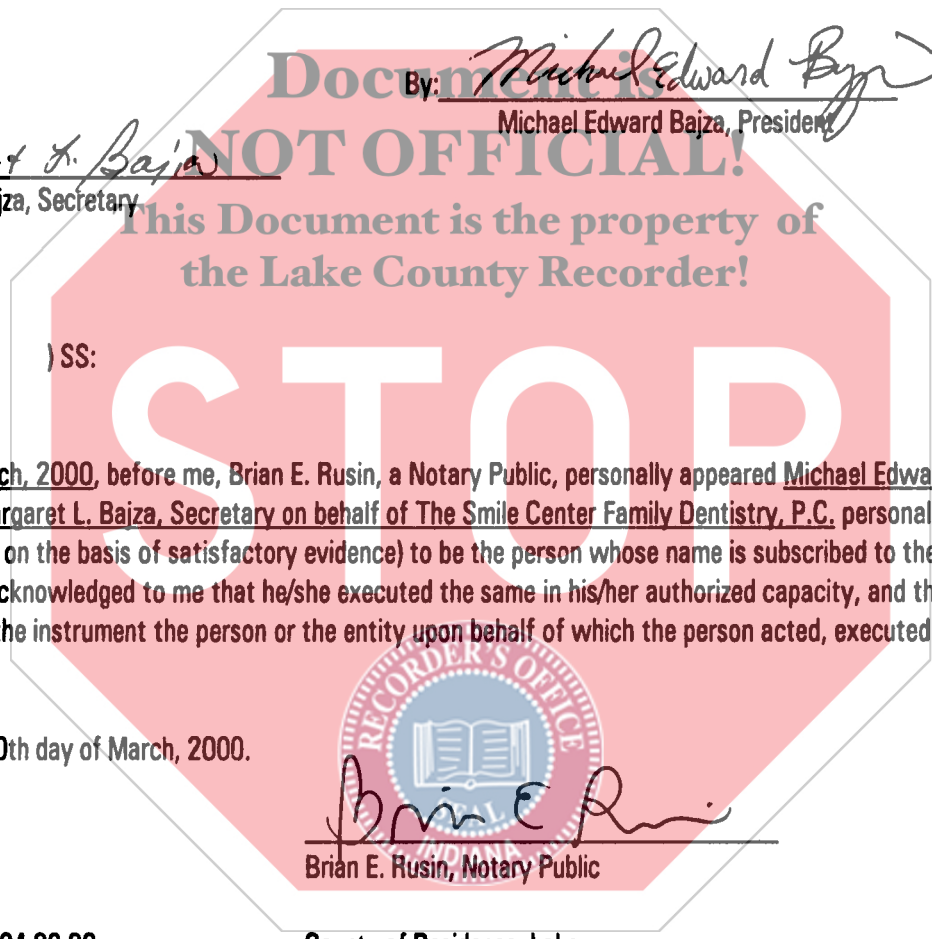
The undersigned agrees that Lessor may mortgage any or all of its property located on the leased premises and in the event of a foreclosure involving such property, the mortgagee shall be permitted a reasonable time to remove any of such property and its lien thereon shall be prior in lien to any claim of the Lessee.

The foregoing shall constitute an amendment to the said Lease and the provisions hereof shall govern if in conflict with any of the provisions contained in the original Lease.

DATED this 10th day of March, 2000.

The Smile Center Family Dentistry, P.C., an Indiana Corporation

By: Michael Edward Bajza  
Michael Edward Bajza, President  
Attest: Margaret L. Bajza  
Margaret L. Bajza, Secretary



STATE OF INDIANA )

) SS:

COUNTY OF LAKE

On the 10th day of March, 2000, before me, Brian E. Rusin, a Notary Public, personally appeared Michael Edward Bajza, President and Margaret L. Bajza, Secretary on behalf of The Smile Center Family Dentistry, P.C. personally known to me (or proved on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Signed and sealed this 10th day of March, 2000.

Brian E. Rusin  
Brian E. Rusin, Notary Public

My Commission Expires: 04-09-00

County of Residence: Lake

(SEAL)

Return to: Brian E. Rusin, Northwest Indiana Regional Development Company, 6100 Southport Road, Portage, Indiana 46368

Prepared by: J. Brian Hittinger, HOEPPNER, WAGNER & EVANS, 1000 E. 80th Place, Suite 606 South Tower, Merrillville, Indiana 46410



Exhibit "A"

**Document is  
NOT OFFICIAL!**

Lot 1 in Woodland Estates Third Addition, Block One, to the Town of Griffith, as per plat thereof, recorded in Plat Book 61, page 38, and amended by a replat of the ingress and egress easements recorded in Plat Book 78, page 5, in the Office of the Recorder of Lake County, Indiana.

**STOP**

