

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

2000 OCT 17 AM 11: 21

MORRIS W. CARTER
RECORDER

2000 075430

ASSIGNMENT OF LEASES AND RENTS

ASSIGNMENT OF LEASES AND RENTS made this 28TH day of SEPTEMBER, 2000, by DANIEL G. McCARTHY, A MARRIED MAN, whose principal address is 1614 METSA COURT, PORTAGE, MICHIGAN 49002 ("Assignor") to State Bank of Caledonia, a Michigan banking corporation, having its principal office at 627 East Main Street, Caledonia, Michigan 49316 ("Lender").

In consideration of the obligations of Assignor to Lender as set forth in a certain Future Advance Mortgage dated SEPTEMBER 28, 2000, (the "Mortgage") given by Assignor to Lender and referred to in the Mortgage and in this Assignment as the "Liabilities", and as additional security for the payment and performance of all the Liabilities described in the Mortgage, and for the performance of the covenants and agreements contained in the Mortgage, Assignor does hereby sell, assign, transfer and set over unto Lender, its successors and assigns, all the rents, profits and all other income under any and all existing and future leases (the "Leases") in which Assignor is lessor and which demise to any person (the "Lessees") all or a portion of the real property situated in the County of LAKE COUNTY, Indiana, (the "Premises"), described as follows:

LOTS 37 AND 38, IN DALECARLIA, BLOCK 29, AS PER PLAT THEREOF RECORDED IN PLAT BOOK 27, PAGE 30, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA.

NOT OFFICIAL!

and Assignor does covenant and agree to and with Lender, as follows:

1. WARRANTIES WITH RESPECT TO STATUS OF LEASES. Assignor hereby covenants and warrants to Lender that Assignor has not executed any prior assignment of the Leases or rents, nor has it performed any act or executed any other instrument which might prevent Lender from operating under any of the terms and conditions of this Agreement or which would limit Lender in such operation. Assignor further covenants and warrants to Lender: that Assignor has previously delivered to Lender complete copies of each of the Leases now in effect or which may take effect in the future (the "Existing Leases"); it has not executed or granted any modification whatsoever of the Existing Leases; the Existing Leases are in full force and effect; and there are no defaults now existing under the Existing Leases.

2. AGREEMENT NOT TO ALTER STATUS OF LEASES. Assignor hereby agrees that so long as the Mortgage remains in effect, Assignor will make no other assignment, pledge or other disposition of the Leases or the rents due thereunder. After written notice by Lender to Assignor, Assignor will not cancel the Leases, accept a surrender thereof, reduce the rent thereunder, modify, alter or amend the Leases or consent to an assignment of the Lessee's interest thereunder, without first having obtained the written consent Lender, and any such acts, if done after such notice and without the consent of Lender, shall be null and void.

3. RIGHT OF LENDER TO COLLECT RENT AND OTHER SUMS DUE UNDER THE LEASES. Unless otherwise agreed in writing or until default under the Mortgage, Assignor shall be entitled to collect the rents under the Leases, but not more than one month in advance; provided that in the event of any such default under the Mortgage, Lender may immediately collect such rents as they become due, and apply the same, less the cost and expense of collection thereof, towards the payment of any of the Liabilities secured by the Mortgage. In the event that the Leases grant to the Lessees an option to purchase or a right of first refusal to purchase all or part of the Premises, Assignor expressly hereby sells, assigns, transfers and sets over unto Lender, the right to receive the purchase price paid pursuant to the exercise of such option or right of first refusal pursuant to the terms and conditions of this Agreement.

4. AUTHORIZATION FOR LESSEES TO PAY RENT TO LENDER. A demand on the Lessees by Lender for the payment of any rent and other sums due under the Leases, after default claimed by Lender, shall be sufficient authority to the Lessees to make future payments of rent to Lender without the necessity for further consent by Assignor and without any obligation upon the Lessees for the determination of the actual existence of any default by Assignor.

5. RIGHT OF LENDER TO TAKE POSSESSION OF THE PREMISES. Upon the occurrence of a default under the Mortgage, Assignor hereby authorizes Lender at its option to enter upon the Premises or any part thereof, by its officers, agents or employees, for the collection of rents and for the operation and maintenance of the Premises. The Assignor hereby authorizes Lender in general to perform all acts necessary for the operation and maintenance of the Premises. Such entry and taking possession of the Premises, or any part thereof, by Lender, may be made by actual entry and possession, or by written notice served personally upon or sent by certified mail to Assignor, its successors or assigns.

6. ASSIGNMENT OF SUBSEQUENT LEASES. Assignor hereby transfers and assigns to Lender any and all subsequent leases upon all or any part of the Premises above described, upon the same terms and conditions as are herein contained, and Assignor agrees to make, execute and deliver to Lender, upon demand, any and all further instruments that may be necessary to evidence the assignment of any such subsequent leases.

7. ENFORCEMENT OF LEASES. Assignor hereby agrees to perform and discharge each and every obligation, covenant and agreement required to be performed by the landlord in the Leases and to require the Lessees thereunder to discharge each and every obligation, covenant and agreement which the Lessees are required to perform under the Leases, and in default thereof, Lender shall have the right, but without obligation to do so, and without releasing Assignor from any obligation hereof, to correct such default or to enforce compliance with the Leases by the Lessees in such manner and to such extent as Lender may deem necessary to protect the security hereof. Any expense incurred by Lender hereunder, and any moneys advanced by Lender, shall be added to the

F33118
HOLD FOR FIRST AMERICAN TITLE

nty# 2000 075429

Fu
14-25

Liabilities and shall be payable immediately. Nothing herein contained shall be construed to bind Lender to perform any of the terms and provisions contained in the Leases, or otherwise to impose any obligation upon Lender.

8. **DEFAULT UNDER MORTGAGE.** Any default by Assignor in the performance of any of the obligations herein contained shall constitute and be deemed to be a default under the terms of the Mortgage entitling Lender to exercise the rights and remedies provided by the Mortgage.

9. **RIGHTS OF LENDER AFTER FORECLOSURE.** Nothing contained in this Assignment shall in any way diminish, restrict, or affect any rights of Lender under the Leases if Lender should become the owner of the Premises after expiration of any redemption period in connection with any foreclosure proceedings.

10. **RIGHT OF LENDER TO ASSIGN LEASES.** Lender shall have the right to assign Assignor's right, title and interest in the Leases to any subsequent holder of the Mortgage or Liabilities referred to therein and to assign the same to any person acquiring title to the Premises through foreclosure or otherwise.

11. **SUBORDINATION NON-DISTURBANCE AGREEMENTS.** At the request of Lender, Assignor shall obtain execution of Subordination Non-Disturbance and Attornment Agreements among Assignor, Lender and each of the Lessees of the Existing Leases in a form acceptable to Lender. In addition, Assignor shall, prior to entering into any Lease of the Premises after the date hereof, notify Lender of such pending Lease and, at the request of Lender, obtain execution of a Subordination Non-Disturbance and Attornment Agreement among Assignor, Lender and the Lessee under such pending Lease in form satisfactory to Lender.

12. **MISCELLANEOUS.** If two or more persons execute this Assignment as Assignor, the obligations of such persons shall be joint, several and individual. This Assignment may be modified, changed or amended only in writing signed by the parties hereto, or their respective successors in interest. The terms, conditions, and covenants of this Assignment shall be binding upon and inure to the benefit of Assignor and Lender and their respective successors, assigns, heirs and legal representatives. Any legally invalid terms of this Assignment shall be severable and shall not affect the validity of the remainder of the provision containing such terms or the remaining provisions of this Assignment. No course of dealing on the part of Lender, nor any failure or delay by Lender with respect to exercise of any right, power, or privilege by Lender under this Assignment shall operate as a waiver thereof. The rights and remedies of Lender under this Assignment are cumulative and are in addition to the rights and remedies of Lender under the Mortgage and the Liabilities. All notices and other communications indicated herein shall be in writing and shall be sufficient in all respects if sent by registered or certified mail, return receipt requested with postage fully paid, or personally delivered to the other party at the address herein set forth, or to its last known address. All notices shall be effective when sent or given. Either party may by proper written notice hereunder to the other party, change the address to which notices shall thereafter be sent to it. The pronouns and relative words used herein shall be read as if written in the plural, feminine, or neuter form so as to appropriately refer to the parties designated. The paragraph headings included herein are for convenience only and shall not be deemed to be a part of this instrument.

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

Signed, sealed and delivered
in the presence of:

Kim L. Reimink
KIM L. REIMINK

Nancy A. Kowalski
NANCY A. KOWALSKI

Stephen R. Cecola
STEPHEN R. CECOLA

Kereth J. Cardinale
KERETH J. CARDINALE

DANIEL G. McCARTHY, A MARRIED MAN

By: *Daniel G. McCarthy*
DANIEL G. McCARTHY, A MARRIED MAN

By: *Druann L. McCarthy*
DRUANN L. McCARTHY, HIS WIFE

The signature of the mortgagor's spouse on this mortgage has been obtained only for the purpose of granting the mortgagee a valid lien on the mortgaged premises and of releasing to the mortgagee all rights of dower and any other rights which said spouse may have or hereafter acquire in the mortgaged premises and this mortgage shall be enforceable against said spouse only to that extent.

STATE OF MICHIGAN)
)SS:

COUNTY OF KALAMAZOO)

The foregoing instrument was acknowledged before me this 28TH day of SEPTEMBER, 2000, by DANIEL G. McCARTHY, A MARRIED MAN.

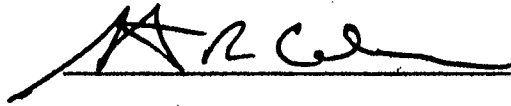
Kim L. Reimink
Notary Public, Kim L. Reimink
Kalamazoo County, Michigan
My Commission Expires: 06/10/02

STATE OF FLORIDA)

)SS:

COUNTY OF PIWELLAS)

The foregoing instrument was acknowledged before me this 30th day of Sept 2000, by DRUANN L. McCARTHY, HIS WIFE.



Notary Public

PIWELLAS County, Michigan FLORIDA

My Commission Expires: 12-17-02

This instrument drafted by:
KIM REIMINK, STATE BANK OF CALEDONIA
211 E. WATER STREET, SUITE 100
KALAMAZOO, MI 49007



Stephen R Cahala
My Commission CC797372
Expires December 17 2002

State Bank of Caledonia Assignment of Leases and Rents
S:\LendComm\LoanDocs\#326881 v1 - Assignment of Leases and Rents form.doc
KZLIB:326881.1\110649-00001 09/28/00

