

Department of
Community Investment

Memorandum

July 16, 2015

TO: South Bend Redevelopment Commission
FROM: David Relos, Economic Resources *DR*
SUBJECT: La Salle Apartments LLC Collateral Assignments

On November 24, 2014, the Commission and Real America entered in to a Development Agreement for the redevelopment of the Hotel La Salle. La Salle Apartments LLC is a wholly owned subsidiary of the owner of Real America.

On March 26, 2015, the Commission approved Resolution No. 3282, approving various agreements referenced within the Development Agreement. Several of these agreements were anticipated to be assigned to Real America's lender upon financing, and contained language to allow their assignment.

The three Collateral Assignment Agreements are to assign to Lake City Bank the Construction Management Agreement, the Development Agreement, and the Parking Lease, and would only be assigned if there was a default under the original Agreements.

Staff requests approval of the Collateral Assignment of Construction Management Agreement, Collateral Assignment of Development Agreement, and Collateral Assignment of Lease.



**COLLATERAL ASSIGNMENT OF
CONSTRUCTION MANAGEMENT AGREEMENT**

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **THE LASALLE APARTMENTS, LLC**, an Indiana limited liability company ("Borrower"), **REALAMERICA DEVELOPMENT, LLC**, an Indiana limited liability company ("RealAmerica Development"), **REALAMERICA CONSTRUCTION, LLC**, an Indiana limited liability company ("RealAmerica Construction"), and **REALAMERICA FUNDING CORPORATION**, an Indiana corporation ("RealAmerica Funding") (collectively, "Assignor"), as additional security for Borrower's obligations to **LAKE CITY BANK**, a state-chartered financial institution ("Lender"), under a Construction Loan Agreement of even date herewith (the "Loan Agreement") between Borrower and Lender, hereby assign to Lender all of Assignor's right, title and interest, but not its obligations, in, under and to that certain Construction Management Agreement between the South Bend Redevelopment Commission, governing body of the Department of Redevelopment of the City of South Bend, Indiana, and the South Bend Board of Public Works (collectively, the "City"), and Assignor, dated April 21, 2015 (the "Agreement"), upon the following terms and conditions:

1. Capitalized terms used herein but not otherwise defined herein shall have the same meanings assigned to such terms in the Loan Agreement.

2. Assignor represents and warrants to Lender that: (a) the copy of the Agreement attached hereto as Exhibit A is a true and complete copy thereof; (b) Assignor's interest therein is not subject to any claim, setoff or encumbrance; (c) the Agreement is assignable; (d) there have been no prior assignments of the Agreement; (e) the Agreement constitutes the valid and binding obligations of the parties thereto, and is enforceable in accordance with its terms; (f) to the best of Assignor's knowledge, neither Assignor nor the City is in default under the terms of the Agreement; and (g) to the best of Assignor's knowledge, all covenants, conditions and agreements have been performed as required by the Agreement, except those which are not due to be performed until after the date of this Assignment.

3. Neither this Assignment nor any action by Lender shall constitute an assumption by Lender of any obligations under the Agreement to the City (or any of the City's departments, divisions or commissions), and Assignor shall continue to be liable for all obligations of Assignor thereunder. Assignor hereby agrees to punctually perform and observe all of the terms, conditions and requirements of the Agreement to be performed or observed by Assignor. Assignor agrees to indemnify and hold Lender harmless against and from any claim, loss, cost, liability, or expense (including, without limitation, reasonable attorney fees, court costs and investigation expenses), of any kind whatsoever, whether based in contract, tort or equity, resulting from any failure of Assignor to perform its obligations under the Agreement.

4. Subject to Section 7 hereof, Lender shall have the right (but not the obligation) at any time to take in its name or in the name of Assignor, or any of them, such action as Lender may at any time determine to be necessary or advisable to cure any default under the Agreement or to protect the rights of Assignor or Lender thereunder. Lender shall incur no liability if any action so taken by it, or on its behalf, shall prove to be inadequate or invalid, and Assignor

agrees to indemnify and hold Lender harmless against and from any claim, loss, cost, liability or expense (including, without limitation, reasonable attorney fees, court costs and investigation expenses), of any kind whatsoever, whether based in contract, tort or equity, incurred in connection with any such action, other than the gross negligence or intentional misconduct of Lender. For the purpose of completing the Project, Lender may reassign its right, title and interest in the Agreement to any persons or entities in Lender's discretion upon notice to and written consent of the City.

5. Assignor hereby irrevocably constitutes and appoints Lender (and any of its officers) as Assignor's true and lawful agent and attorney-in-fact (with full powers of substitution) to, after a default under the Loan Agreement, the Note, or any other Loan Document, demand, receive and enforce Assignor's rights with respect to the Agreement, to give appropriate receipts, releases and satisfactions for and on behalf of Assignor to do any and all acts in the name, place and stead of Assignor or in Lender's name, with the same force and effect as Assignor could do if this Assignment had not been made. The power of attorney granted herein is deemed to be a power coupled with an interest and is therefore irrevocable.

6. Before a default under the Loan Agreement, Assignor shall have the right to exercise its rights under the Agreement; provided, however, that Assignor shall not cancel or amend the Agreement or do or permit to be done any act which would impair the security created by this Assignment without the prior written consent of Lender. Lender shall endeavor to review promptly all requested changes in the Agreement submitted to it; provided, however, that Lender shall have no obligation or liability to the City with regard to its review of such changes or its refusal to approve such changes.

7. This Assignment is for security purposes only. Therefore, Lender shall have no right under this Assignment to enforce the provisions of the Agreement until Assignor shall be in default under the Loan Agreement or any other instrument, document or agreement related to either the indebtedness evidenced thereby or the Mortgaged Property (as herein defined) beyond any applicable notice and cure periods. Upon the occurrence of any such default, Lender may, without affecting any of its rights or remedies against Assignor under the Loan Agreement or any other instrument, document or agreement related thereto, exercise its rights under this Assignment as Assignor's true and lawful agent and attorney-in-fact or in any other manner permitted by law, and in addition, Lender shall have and possess, without limitation, any and all of the rights of a secured party under Article 9 of the Uniform Commercial Code or otherwise provided by law. Upon satisfaction or other termination of the Assignor's obligations under the Loan Agreement, this Assignment will terminate, and Assignor will immediately provide written notice of the termination of this Assignment to the Commission.

8. This Assignment shall be binding upon Assignor, and Assignor's heirs, executors, administrators, legal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns, including any purchaser upon foreclosure of the assignments, liens and security interests created by the Mortgage, as defined in the Loan Agreement, and all presently-existing or future modifications thereof, securing the loans contemplated by the Loan Agreement, upon the real property described in the Mortgage (the "Mortgaged Property"), or any part thereof, any grantee of the Mortgaged Property (or any part thereof) under a conveyance in lieu of foreclosure, any receiver in possession of the Mortgaged

Property (or any part thereof), and any corporation formed by or on behalf of Lender which assumes Lender's rights and obligations under the Loan Agreement.

9. This Assignment shall be governed by and construed under the laws of the State of Indiana, without giving effect to its choice-of-law provisions.

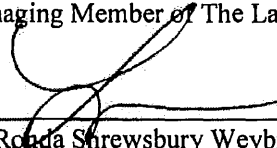
10. All exhibits attached hereto are by this reference incorporated fully herein. The term "this Assignment" shall be considered to include all such exhibits.

ASSIGNOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS ASSIGNMENT AND AGREES TO ITS TERMS. THIS ASSIGNMENT IS DATED AND EXECUTED AS OF THE 2ND DAY OF JULY, 2015.

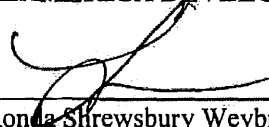
"ASSIGNOR"

THE LASALLE APARTMENTS, LLC

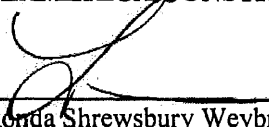
By: EXECUTIVE INVESTMENTS, LLC
Managing Member of The LaSalle Apartments, LLC

By: 
Ronda Shrewsbury Weybright, President
Executive Investments, LLC

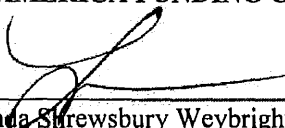
REALAMERICA DEVELOPMENT, LLC

By: 
Ronda Shrewsbury Weybright, President

REALAMERICA CONSTRUCTION, LLC

By: 
Ronda Shrewsbury Weybright, President

REALAMERICA FUNDING CORPORATION

By: 
Ronda Shrewsbury Weybright, President

ACKNOWLEDGED AS OF THE ____ DAY OF JULY, 2015 BY:

“CITY”

**SOUTH BEND REDEVELOPMENT
COMMISSION, GOVERNING BODY OF THE
DEPARTMENT OF REDEVELOPMENT OF
THE CITY OF SOUTH BEND, INDIANA**

By: _____

Its: _____

By: _____

Its: _____

SOUTH BEND BOARD OF PUBLIC WORKS

By: _____

Its: _____

By: _____

Its: _____

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

On this 2nd day of July, 2015, before me, the undersigned Notary Public, personally appeared Ronda Shrewsbury Weybright, President of Executive Investments, LLC, known to me to be the Managing Member of The LaSalle Apartments, LLC, and acknowledged the execution of the Collateral Assignment of Construction Management Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its Operating Agreement, or by resolution of its members, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Construction Management Agreement and in fact executed the Collateral Assignment of Construction Management Agreement on behalf of the limited liability company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

Jul 8, 2020

Amy C. A. Stuart
Amy C. A. Stuart, Notary Public
A resident of Hamilton County

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

On this 2nd day of July, 2015, before me, the undersigned Notary Public, personally appeared Ronda Shrewsbury Weybright, President of RealAmerica Development, LLC, and acknowledged the execution of the Collateral Assignment of Construction Management Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its Operating Agreement, or by resolution of its members, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Construction Management Agreement and in fact executed the Collateral Assignment of Construction Management Agreement on behalf of the limited liability company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

Jul 8, 2020



Amy C. A. Stuart
Amy C. A. Stuart, Notary Public
County of Hamilton
My Comm. Expires: Jul resident of Hamilton County

STATE OF INDIANA)
) SS:
COUNTY OF MAVADN)

On this 2nd day of July, 2015, before me, the undersigned Notary Public, personally appeared Ronda Shrewsbury Weybright, President of RealAmerica Construction, LLC, and acknowledged the execution of the Collateral Assignment of Construction Management Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its Operating Agreement, or by resolution of its members, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Construction Management Agreement and in fact executed the Collateral Assignment of Construction Management Agreement on behalf of the limited liability company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

Jul 8, 2020



Amy C.A. Stuart Notary Public
A resident of Hamilton County
Notary Public - Indiana
County of Hamilton
My Comm. Expires: Jul. 8, 2020

STATE OF INDIANA)
) SS:
COUNTY OF MAVADN)

On this 2nd day of July, 2015, before me, the undersigned Notary Public, personally appeared Ronda Shrewsbury Weybright, President of RealAmerica Funding Corporation, and acknowledged the execution of the Collateral Assignment of Construction Management Agreement to be the free and voluntary act and deed of the corporation, by authority of statute, its Bylaws, or by resolution of its directors, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Construction Management Agreement and in fact executed the Collateral Assignment of Construction Management Agreement on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

Jul 8, 2020



Amy C.A. Stuart Notary Public
A resident of Hamilton County
Amy C.A. Stuart
Notary Public - Indiana
County of Hamilton
My Comm. Expires: Jul. 8, 2020

STATE OF INDIANA)
) SS:
COUNTY OF _____)

On this ____ day of July, 2015, before me, the undersigned Notary Public, personally appeared _____ and _____, the _____ and _____, respectively, of the South Bend Redevelopment Commission, governing body of the Department of Redevelopment of the City of South Bend, Indiana, and acknowledged the execution of the Collateral Assignment of Construction Management Agreement to be the free and voluntary act and deed of the Commission, by authority of statute, or by proper resolution, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Construction Management Agreement and in fact executed the Collateral Assignment of Construction Management Agreement on behalf of the Commission.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

_____, Notary Public
A resident of _____ County

STATE OF INDIANA)
) SS:
COUNTY OF _____)

On this ____ day of July, 2015, before me, the undersigned Notary Public, personally appeared _____ and _____, the _____ and _____, respectively, of the South Bend Board of Public Works, and acknowledged the execution of the Collateral Assignment of Construction Management Agreement to be the free and voluntary act and deed of the Board, by authority of statute, or by proper resolution, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Construction Management Agreement and in fact executed the Collateral Assignment of Construction Management Agreement on behalf of the Board.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

_____, Notary Public
A resident of _____ County

COLLATERAL ASSIGNMENT OF DEVELOPMENT AGREEMENT

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **THE LASALLE APARTMENTS, LLC**, an Indiana limited liability company ("Borrower"), **REALAMERICA CONSTRUCTION, LLC**, an Indiana limited liability company ("RealAmerica Construction"), and **REALAMERICA FUNDING CORPORATION**, an Indiana corporation ("RealAmerica Funding") (collectively, "Assignor"), as additional security for Borrower's obligations to **LAKE CITY BANK**, a state-chartered financial institution ("Lender"), under a Construction Loan Agreement of even date herewith (the "Loan Agreement") between Borrower and Lender, hereby assign to Lender all of Assignor's right, title and interest, but not its obligations, in, under and to that certain Development Agreement between the South Bend Redevelopment Commission, governing body of the Department of Redevelopment of the City of South Bend, Indiana (the "Commission"), and RealAmerica Development, LLC ("RealAmerica Development"), dated November 24, 2014, as assigned by RealAmerica Development to Borrower, RealAmerica Construction, and RealAmerica Funding under that certain Assignment and Assumption Agreement dated March 24, 2015 (collectively, the "Development Agreement"), upon the following terms and conditions:

1. Capitalized terms used herein but not otherwise defined herein shall have the same meanings assigned to such terms in the Loan Agreement.

2. Assignor represents and warrants to Lender that: (a) the copy of the Development Agreement attached hereto as Exhibit A is a true and complete copy thereof; (b) Assignor's interest therein is not subject to any claim, setoff or encumbrance; (c) the Development Agreement is assignable; (d) there have been no prior assignments of the Development Agreement; (e) the Development Agreement constitutes the valid and binding obligations of the parties thereto, and is enforceable in accordance with its terms; (f) to the best of Assignor's knowledge, neither Assignor nor the Commission is in default under the terms of the Development Agreement; and (g) to the best of Assignor's knowledge, all covenants, conditions and agreements have been performed as required by the Development Agreement, except those which are not due to be performed until after the date of this Assignment.

3. Neither this Assignment nor any action by Lender shall constitute an assumption by Lender of any obligations under the Development Agreement to the Commission (or any of the Commission's departments, divisions or commissions), and Assignor shall continue to be liable for all obligations of Assignor thereunder. Assignor hereby agrees to punctually perform and observe all of the terms, conditions and requirements of the Development Agreement to be performed or observed by Assignor. Assignor agrees to indemnify and hold Lender harmless against and from any claim, loss, cost, liability, or expense (including, without limitation, reasonable attorney fees, court costs and investigation expenses), of any kind whatsoever, whether based in contract, tort or equity, resulting from any failure of Assignor to perform its obligations under the Development Agreement.

4. Subject to Section 7 hereof, Lender shall have the right (but not the obligation) at any time to take in its name or in the name of Assignor, or any of them, such action as Lender

may at any time determine to be necessary or advisable to cure any default under the Development Agreement or to protect the rights of Assignor or Lender thereunder. Lender shall incur no liability if any action so taken by it, or on its behalf, shall prove to be inadequate or invalid, and Assignor agrees to indemnify and hold Lender harmless against and from any claim, loss, cost, liability or expense (including, without limitation, reasonable attorney fees, court costs and investigation expenses), of any kind whatsoever, whether based in contract, tort or equity, incurred in connection with any such action, other than the gross negligence or intentional misconduct of Lender. For the purpose of completing the Project, Lender may reassign its right, title and interest in the Development Agreement to any persons or entities in Lender's discretion upon notice to and written consent of the Commission.

5. Assignor hereby irrevocably constitutes and appoints Lender (and any of its officers) as Assignor's true and lawful agent and attorney-in-fact (with full powers of substitution) to, after a default under the Loan Agreement, the Note, or any other Loan Document, demand, receive and enforce Assignor's rights with respect to the Development Agreement, to give appropriate receipts, releases and satisfactions for and on behalf of Assignor to do any and all acts in the name, place and stead of Assignor or in Lender's name, with the same force and effect as Assignor could do if this Assignment had not been made. The power of attorney granted herein is deemed to be a power coupled with an interest and is therefore irrevocable.

6. Before a default under the Loan Agreement, Assignor shall have the right to exercise its rights under the Development Agreement; provided, however, that Assignor shall not cancel or amend the Development Agreement or do or permit to be done any act which would impair the security created by this Assignment without the prior written consent of Lender. Lender shall endeavor to review promptly all requested changes in the Development Agreement submitted to it; provided, however, that Lender shall have no obligation or liability to the Commission with regard to its review of such changes or its refusal to approve such changes.

7. This Assignment is for security purposes only. Therefore, Lender shall have no right under this Assignment to enforce the provisions of the Development Agreement until Assignor shall be in default under the Loan Agreement or any other instrument, document or agreement related to either the indebtedness evidenced thereby or the Mortgaged Property (as herein defined) beyond any applicable notice and cure periods. Upon the occurrence of any such default, Lender may, without affecting any of its rights or remedies against Assignor under the Loan Agreement or any other instrument, document or agreement related thereto, exercise its rights under this Assignment as Assignor's true and lawful agent and attorney-in-fact or in any other manner permitted by law, and in addition, Lender shall have and possess, without limitation, any and all of the rights of a secured party under Article 9 of the Uniform Commercial Code or otherwise provided by law. Upon satisfaction or other termination of the Assignor's obligations under the Loan Agreement, this Assignment will terminate, and Assignor will immediately provide written notice of the termination of this Assignment to the Commission.

8. This Assignment shall be binding upon Assignor, and Assignor's heirs, executors, administrators, legal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns, including any purchaser upon foreclosure of the assignments, liens and security interests created by the Mortgage, as defined in the Loan

Agreement, and all presently-existing or future modifications thereof, securing the loans contemplated by the Loan Agreement, upon the real property described in the Mortgage (the "Mortgaged Property"), or any part thereof, any grantee of the Mortgaged Property (or any part thereof) under a conveyance in lieu of foreclosure, any receiver in possession of the Mortgaged Property (or any part thereof), and any corporation formed by or on behalf of Lender which assumes Lender's rights and obligations under the Loan Agreement.

9. This Assignment shall be governed by and construed under the laws of the State of Indiana, without giving effect to its choice-of-law provisions.

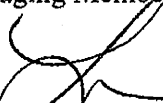
10. All exhibits attached hereto are by this reference incorporated fully herein. The term "this Assignment" shall be considered to include all such exhibits.

ASSIGNOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS ASSIGNMENT AND AGREES TO ITS TERMS. THIS ASSIGNMENT IS DATED AND EXECUTED AS OF THE 2ND DAY OF JULY, 2015.

"ASSIGNOR"


THE LASALLE APARTMENTS, LLC

By: EXECUTIVE INVESTMENTS, LLC
Managing Member of The LaSalle Apartments, LLC

By: 


Ronda Shrewsbury Weybright, President
Executive Investments, LLC

REALAMERICA CONSTRUCTION, LLC

By: 

Ronda Shrewsbury Weybright, President

REALAMERICA FUNDING CORPORATION

By: 

Ronda Shrewsbury Weybright, President

ACKNOWLEDGED AS OF THE ____ DAY OF JULY, 2015 BY:

“COMMISSION”

SOUTH BEND REDEVELOPMENT
COMMISSION, GOVERNING BODY OF THE
DEPARTMENT OF REDEVELOPMENT OF
THE CITY OF SOUTH BEND, INDIANA

By: _____

Its: _____

By: _____

Its: _____

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

On this 2nd day of July, 2015, before me, the undersigned Notary Public, personally appeared Ronda Shrewsbury Weybright, President of Executive Investments, LLC, known to me to be the Managing Member of The LaSalle Apartments, LLC, and acknowledged the execution of the Collateral Assignment of Development Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its Operating Agreement, or by resolution of its members, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Development Agreement and in fact executed the Collateral Assignment of Development Agreement on behalf of the limited liability company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

Jul 8, 2020

Amy C.A. Stuart
A resident of Hamilton County



Amy C.A. Stuart
Notary Public - Indiana
County of Hamilton
My Comm. Expires: Jul. 8, 2020

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

On this 2nd day of July, 2015, before me, the undersigned Notary Public, personally appeared Ronda Shrewsbury Weybright, President of RealAmerica Construction, LLC, and acknowledged the execution of the Collateral Assignment of Development Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its Operating Agreement, or by resolution of its members, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Development Agreement and in fact executed the Collateral Assignment of Development Agreement on behalf of the limited liability company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

Jul 8, 2020

Amy C.A. Stuart
A resident of Hamilton County



Amy C.A. Stuart
Notary Public - Indiana
County of Hamilton
My Comm. Expires: Jul. 8, 2020

STATE OF INDIANA)
) SS:
COUNTY OF MAKON)

On this 2nd day of July, 2015, before me, the undersigned Notary Public, personally appeared Ronda Shrewsbury Weybright, President of RealAmerica Funding Corporation, and acknowledged the execution of the Collateral Assignment of Development Agreement to be the free and voluntary act and deed of the corporation, by authority of statute, its Bylaws, or by resolution of its directors, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Development Agreement and in fact executed the Collateral Assignment of Development Agreement on behalf of the corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

Jul 8, 2020



Michelle A. Stuart
Michelle A. Stuart, Notary Public
A resident of Hamilton County
Notary Public - Indiana
County of Hamilton
My Comm. Expires: Jul. 8, 2020

STATE OF INDIANA)
) SS:
COUNTY OF _____)

On this ___ day of July, 2015, before me, the undersigned Notary Public, personally appeared _____ and _____, the _____ and _____, respectively, of the South Bend Redevelopment Commission, governing body of the Department of Redevelopment of the City of South Bend, Indiana, and acknowledged the execution of the Collateral Assignment of Development Agreement to be the free and voluntary act and deed of the Commission, by authority of statute, or by proper resolution, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Development Agreement and in fact executed the Collateral Assignment of Development Agreement on behalf of the Commission.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:

_____, Notary Public
A resident of _____ County

COLLATERAL ASSIGNMENT OF LEASE

This Collateral Assignment of Lease (the "Assignment") is hereby executed and granted by **THE LASALLE APARTMENTS, LLC**, an Indiana limited liability company ("Assignor"), in favor of **LAKE CITY BANK**, a state-chartered financial institution ("Lender"), as of the 2nd day of July, 2015.

RECITALS:

WHEREAS, Lender has agreed to extend credit and financial accommodations to Assignor pursuant to, without limitation, a certain promissory note (the "Note") under that certain Construction Loan Agreement, of even date herewith, as it may from time to time be amended or otherwise modified or supplemented (the "Loan Agreement"); (capitalized terms used in this Assignment without definition shall have the meanings ascribed to such terms in the Loan Agreement) among Borrower, Assignor and certain Guarantors, as defined in the Loan Agreement, which are parties and signatories thereto.

WHEREAS, Assignor, as Tenant, and the South Bend Redevelopment Commission, governing body of the Department of Redevelopment of the City of South Bend, Indiana, as Landlord ("Department of Redevelopment"), executed and entered into that certain Parking Lease dated as of April 21, 2015 (the "Lease") pursuant to the terms and conditions of which the Department of Redevelopment leases to Assignor and Assignor leases from the Department of Redevelopment certain real estate and improvements located thereon (the "Premises"). A true and accurate copy of the Lease is attached hereto as Exhibit "A."

WHEREAS, to induce Lender to extend credit to Assignor, Assignor agreed to execute this Assignment in favor of Lender as additional security for the Note and the Obligations as defined in the Loan Agreement.

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree to the following terms and conditions:

1. The parties hereto agree that each of the above set forth recital paragraphs is true, accurate and correct and that such recital paragraphs are incorporated into this Assignment by reference.
2. Assignor hereby assigns to Lender and Lender hereby accepts all of Assignor's right, title and interest, but not its obligations, in, under and to the Lease, subject to the terms and conditions set forth herein. Said assignment includes, but is not limited to, an assignment of a future written agreement for parking spaces in the planned parking garage (the "Future Parking Lease"), as contemplated by Section 26 of the Lease.
3. Assignor represents and warrants to Lender that: (a) the copy of the Lease attached hereto as Exhibit "A" is a true and complete copy thereof; (b) Assignor's interest in the Lease is not subject to any claim, setoff or encumbrance; (c) the Lease is assignable by Assignor pursuant to the terms and conditions of the Lease; (d) there have been no prior assignments of the Lease; and (e) the Lease constitutes the valid and binding obligations of the parties thereto, and is enforceable in accordance with its terms.

4. Upon any default under the Lease, Assignor shall promptly notify Lender, in writing, that said default has occurred.

5. Neither this Assignment nor any action by Lender shall constitute an assumption by Lender of any obligations under the Lease to the Department of Redevelopment, and Assignor shall continue to be liable for all of its obligations thereunder. Assignor hereby agrees to punctually perform and observe all of the terms, conditions and requirements of the Lease to be performed or observed by Assignor. Assignor agrees to indemnify and hold Lender harmless against and from any loss, cost, liability, or expense (including, without limitation, reasonable attorney fees, court costs and investigation expenses) resulting from any failure of Assignor to perform its obligations under the Lease.

6. Lender shall have the right (but not the obligation) at any time to take in its name or in the name of Assignor such action as Lender may at any time determine to be necessary or advisable to cure any default under the Lease or to protect the rights of Assignor or Lender thereunder. Lender shall incur no liability if any action so taken by it, or on its behalf, shall prove to be inadequate or invalid, and Assignor agree to indemnify and hold Lender harmless against and from any loss, cost, liability or expense (including, without limitation, reasonable attorney fees, court costs and investigation expenses) incurred in connection with any such action, other than the gross negligence or intentional misconduct of Lender. Lender may reassign its right, title and interest in the Lease to any persons or entities in Lender's discretion upon notice to Tenant and notice to and consent of the Department of Redevelopment.

7. Assignor hereby irrevocably constitutes and appoints Lender (and any of its officers) as Assignor's true and lawful agent and attorney-in-fact (with full powers of substitution) to, after a default under the Loan Agreement, the Note, or any other Loan Document, demand, receive and enforce Assignor's rights with respect to the Lease, to give appropriate receipts, releases and satisfactions for and on behalf of Assignor to do any and all acts in the name, place and stead of Assignor or in Lender's name, with the same force and effect as Assignor could do if this Assignment had not been made. The power of attorney granted herein is deemed to be a power coupled with an interest and is therefore irrevocable.

8. Before a default under any agreement, instrument, or document between Assignor and Lender, Assignor shall have the right to exercise its rights under the Lease; provided, however, that Assignor shall not cancel or amend the Lease or do or permit to be done any act which would impair the security created by this Assignment without the prior written consent of Lender. Lender shall endeavor to review promptly all requested changes in the Lease submitted to it; provided, however, that Lender shall have no obligation or liability to any party with regard to its review of such changes or its refusal to approve such changes.

9. This Assignment is for security purposes only. Therefore, Lender shall have no right under this Assignment to enforce the provisions of the Lease until Assignor shall fail to perform any of its obligations owed to Lender or default under any agreement, instrument, or document between Assignor and Lender, including, without limitation, the Loan Agreement, the Note, or any other Loan Document. Upon the occurrence of any such default, Lender may, without affecting any of its rights or remedies against Assignor, exercise its rights under this Assignment as Assignor's true and lawful agent and attorney-in-fact or in any other manner permitted by law, and in addition, Lender shall have and possess, without limitation, any and all

of the rights of a secured party under Article 9 of the Uniform Commercial Code or otherwise provided by law. Upon satisfaction or other termination of the Assignor's obligations under the Loan Agreement, this Assignment will terminate, and Assignor will immediately provide written notice of the termination of this Assignment to the Department of Redevelopment.

10. Notwithstanding anything contained in the Lease to the contrary, Assignor and the Department of Redevelopment hereby agree that: (a) Assignor and the Department of Redevelopment shall not terminate the Lease unless the Department of Redevelopment notifies Assignee of such termination and offers a new lease to Assignee pursuant to Section 18.4 of the Lease, except for a termination pursuant to Sections 24.4(c) and 25 of the Lease for which the Department of Redevelopment need not give notice to Assignee or offer a new lease to Assignee; (b) Assignor and the Department of Redevelopment shall not execute the Future Parking Lease until Assignor has executed and delivered to Assignee a Collateral Assignment of Future Parking Lease in form and substance reasonably satisfactory to Assignee; and (c) in the event the Lease terminates pursuant to Section 24.4 of the Lease, the Department of Redevelopment will grant utility easements in the Premises in favor of Assignor and its successors and assigns, to the extent that utilities serving the "Project Property," as defined in the Lease, are actually located on or in the Premises.

11. **Neither this Assignment nor any action by Lender shall constitute a waiver or release of any and all liens, of any nature, that Lender holds on any property of Assignor.**

12. This Assignment shall be binding upon Assignor, and Assignor's successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

13. This Assignment shall be governed by and construed under the laws of the State of Indiana, without giving effect to its choice-of-law provisions.

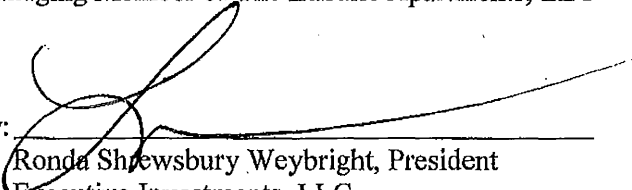
14. All exhibits attached hereto are by this reference incorporated fully herein. The term "this Assignment" shall be considered to include all such exhibits.

Executed as of the 2nd day of July, 2015.

"ASSIGNOR"

THE LASALLE APARTMENTS, LLC

By: EXECUTIVE INVESTMENTS, LLC
Managing Member of The LaSalle Apartments, LLC

By: 
Ronda Shrewsbury Weybright, President
Executive Investments, LLC

ACKNOWLEDGEMENT AND CONSENT

The undersigned, on behalf of the South Bend Redevelopment Commission, governing body of the Department of Redevelopment of the City of South Bend, Indiana, does hereby acknowledge and consent to this Collateral Assignment of Lease and the assignment made thereunder by The LaSalle Apartments, LLC of its rights under that certain Parking Lease dated April 21, 2015, to Lake City Bank, and, without limiting the generality of the foregoing, does hereby specifically agree to the terms of Sections 2 and 10 of this Collateral Assignment of Lease.

Acknowledged as of the ____ day of July, 2015.

“LANDLORD”

**SOUTH BEND REDEVELOPMENT
COMMISSION, GOVERNING BODY OF THE
DEPARTMENT OF REDEVELOPMENT OF
THE CITY OF SOUTH BEND, INDIANA**

By: _____

Its: _____


By: _____

Its: _____

STATE OF INDIANA)
)
COUNTY OF Hamilton) SS:

On this 2nd day of July, 2015, before me, the undersigned Notary Public, personally appeared Ronda Shrewsbury Weybright, President of Executive Investments, LLC, known to me to be the Managing Member of The LaSalle Apartments, LLC, and acknowledged the execution of the Collateral Assignment of Lease to be the free and voluntary act and deed of the limited liability company, by authority of statute, its Operating Agreement, or by resolution of its members, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Lease and in fact executed the Collateral Assignment of Lease on behalf of the limited liability company.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires:  LISA J. McNABB, Notary Public
Resident of Hamilton County, IN
Commission Expires: November 4, 2015
A resident of _____ County

STATE OF INDIANA)
)
COUNTY OF _____) SS:

On this ____ day of July, 2015, before me, the undersigned Notary Public, personally appeared _____ and _____, the _____ and _____, respectively, of the South Bend Redevelopment Commission, governing body of the Department of Redevelopment of the City of South Bend, Indiana, and acknowledged the execution of the Collateral Assignment of Lease to be the free and voluntary act and deed of the Commission, by authority of statute, or by proper resolution, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute this Collateral Assignment of Lease and in fact executed the Collateral Assignment of Lease on behalf of the Commission.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal.

My Commission Expires: _____
_____, Notary Public
A resident of _____ County