

Chicago Tide Insurance Company

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

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MORRIS W. CARTER
RECORDER

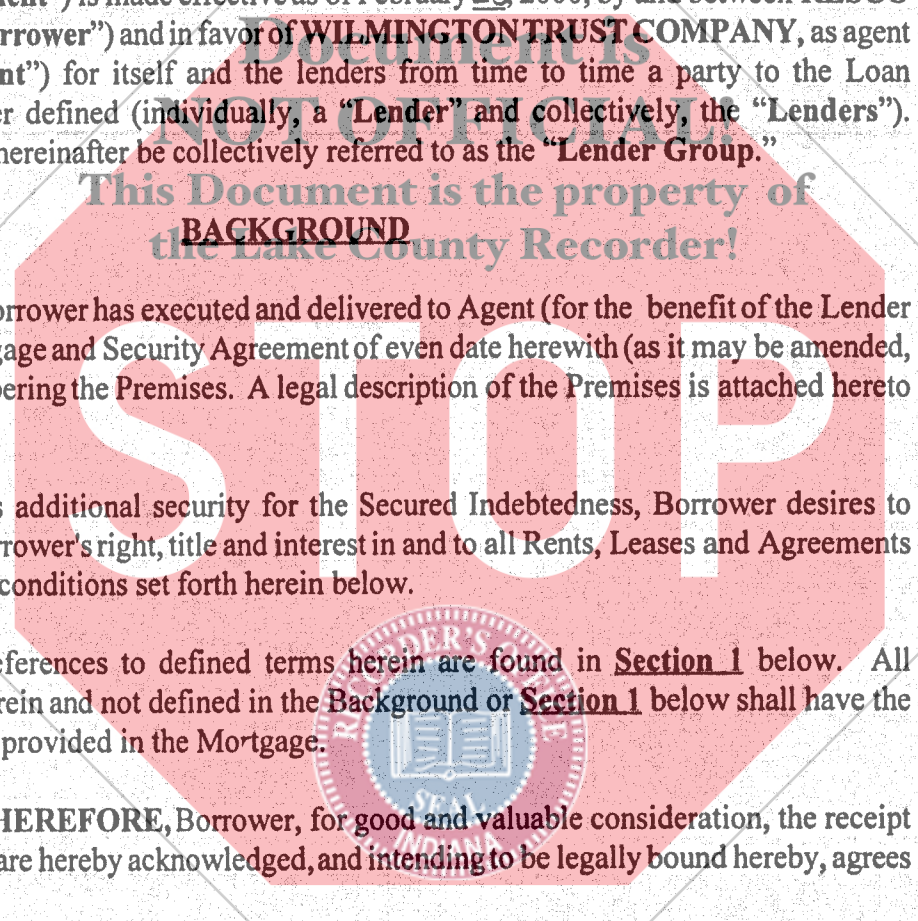
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ABSOLUTE ASSIGNMENT OF RENTS, LEASES AND AGREEMENTS OF SALE

THIS ABSOLUTE ASSIGNMENT OF RENTS, LEASES AND AGREEMENTS OF SALE (the "Assignment") is made effective as of February 25, 2000, by and between **RESCO PRODUCTS, INC.** ("Borrower") and in favor of **WILMINGTON TRUST COMPANY**, as agent (in such capacity, "Agent") for itself and the lenders from time to time a party to the Loan Agreement as hereinafter defined (individually, a "Lender" and collectively, the "Lenders"). Lenders and Agent may hereinafter be collectively referred to as the "Lender Group."

This Document is the property of the Lake County Recorder!



A. Borrower has executed and delivered to Agent (for the benefit of the Lender Group) that certain Mortgage and Security Agreement of even date herewith (as it may be amended, the "Mortgage") encumbering the Premises. A legal description of the Premises is attached hereto as **Exhibit A**.

B. As additional security for the Secured Indebtedness, Borrower desires to assign to Agent all of Borrower's right, title and interest in and to all Rents, Leases and Agreements of Sale on the terms and conditions set forth herein below.

C. References to defined terms herein are found in **Section 1** below. All capitalized terms used herein and not defined in the Background or **Section 1** below shall have the meanings for such terms provided in the Mortgage.

NOW, THEREFORE, Borrower, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, agrees as follows:

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1. **Definitions.** The following words and phrases as used in capitalized form in this Assignment, whether in the singular or plural, shall have the meanings indicated:

Agreements of Sale means any and all present and future agreements for the sale of any or all of the Premises, as such agreements may from time to time be modified, extended or renewed, with all deposits and proceeds due or becoming due therefrom.

Leases means any and all present and future leases, subleases, licenses, concessions or other agreements (written or verbal) which grant a possessory interest in and to, or the right to use, all or any part of the Premises, together with any and all present or future guarantees or surety agreements with respect to a lessee's obligations thereunder, as such documents may from time to time be modified, extended, renewed or amended, together with all security and other deposits made in connection therewith.

Obligor means any party (other than Borrower) (a) to any Agreement of Sale, Lease or guaranty or surety agreement in connection with any Lease or otherwise liable under any Lease or Agreement of Sale, or (b) or any other party using or possessing the Premises.

Rents means any and all rents, revenues, income, profits, security and other types of deposits, and other benefits paid or payable by parties to the Leases or the Agreements of Sale for using, leasing, licensing, possessing, operating from, residing in, purchasing, selling or otherwise enjoying all or any part of the Premises.

All capitalized terms used herein and not defined in the Background hereof or this **Section 1** shall have the meanings for such terms provided in the Mortgage.

2. **Granting Clause/Assignment.** As part of the consideration for the Secured Indebtedness, Borrower does hereby absolutely sell, convey, transfer and assign unto Agent, its successors and assigns, all right, title, interest and privilege which Borrower now has or may in the future have in and to the Rents, Leases and Agreements of Sale, together with any award made hereafter to Borrower in any bankruptcy, insolvency or reorganization proceedings in any state or federal court involving any of the Obligors and any and all payments made by any of the Obligors in lieu of lease payments or sales proceeds.

This Assignment constitutes a present and absolute assignment and is intended to be unconditional and not as an assignment for additional security only. It is further intended that it is not necessary for Agent to institute legal proceedings, absent legal requirements to the contrary, to enforce the provisions hereof.

3. **License to Collect Rents.** Borrower hereby authorizes Agent or its agents to collect the Rents and hereby directs each Obligor to pay such Rents to Agent or such agents; provided, however, that prior to notice from Agent to Borrower of an Event of Default by Borrower hereunder or under any other Loan Document, Borrower shall have a license, but limited as provided in this Assignment and in any of the other Loan Documents; (i) to collect all of the Rents for not

more than one monthly installment in advance, other than a prepayment of the final monthly installment of Rent under any Lease or the security deposit or any other deposit under any Lease or Agreement of Sale, and Borrower shall receive and apply such Rents (not necessarily in the following order) to the payment of taxes upon the Premises before penalty or interest are due thereon, to the cost of such insurance, maintenance and repairs as may be required by the terms of the Mortgage, to satisfy all of Borrower's obligations under the Leases and Agreements of Sale, and to pay interest and principal and other charges becoming due, as and when due and payable, under the Loan Documents, with the balance, so long as no Event of Default has occurred hereunder or under the other Loan Documents, to the account of Borrower; and (ii) to otherwise deal with, and enjoy the rights of the Obligor under, the Leases and Agreements of Sale as otherwise permitted by the Mortgage.

Upon receipt by Borrower of written notification from Agent, stating that an Event of Default by Borrower exists and Agent is exercising its rights hereunder, and without the necessity of Agent entering upon and taking and maintaining full control of the Premises in person, by agent or by court-appointed receiver, the license referred to in the immediately preceding paragraph shall immediately be revoked. Thereupon, Agent shall immediately be entitled to possession of all Rents of the Premises as the same become due and payable, and Borrower hereby authorizes and directs any Obligor under any of the Leases or Agreements of Sale and any successor to all or any part of the interests of any such Obligor to pay to Agent the Rents due and to become due under the Leases and Agreements of Sale. A demand on any Obligor made by Agent following the occurrence of an Event of Default for such payment of Rents shall be sufficient warrant to the Obligor to make future payments of Rents to Agent without the necessity for further consent by the Borrower. Borrower agrees that upon the occurrence of an Event of Default (i) each Obligor under any of the Leases or Agreements of Sale shall have the right to rely upon any such request by Agent, (ii) each Obligor shall pay such Rents to Agent without any obligation or right to inquire as to whether such default actually exists and notwithstanding any notice from or claim of Borrower to the contrary, (iii) Borrower shall have no right to claim against any Obligor for any such Rents so paid by the Obligor to Agent and (iv) Agent shall be entitled to collect, receive and retain all Rents regardless of when and to whom such Rents are and have been paid and regardless of the form or location of such Rents. Any Rents held or received by Borrower after such written request from Agent shall be held or received by Borrower as trustee for the benefit of Agent only.

4. **Obligations Secured.** This Assignment secures the full and timely payment and performance of all the Secured Indebtedness, together with all costs, fees and expenses incurred by Agent in connection with or related to the Secured Indebtedness or this Assignment.

5. **Representations and Warranties.** Borrower represents, warrants and covenants as follows:

5.1 Borrower has title to, and full right to assign, the Leases, Rents and Agreements of Sale;

5.2 Except for assignments which have been terminated on or before the date hereof, Borrower has not previously assigned or pledged all or any portion of the Rents, Leases or Agreements of Sale, and Borrower has no knowledge of any prior owner of the Premises having assigned or pledged all or any portion of the Rents, Leases or Agreements of Sale, which assignment and/or pledge has not been released;

5.3 There are no Leases or Agreements of Sale currently in existence or proposed with respect to all or any part of the Premises except as disclosed in writing to Agent (the "Existing Leases and Agreements of Sale");

5.4 The terms of the Existing Leases and Agreements of Sale have not been changed from the terms set forth in the copies thereof previously submitted to Agent for approval;

5.5 To Borrower's knowledge, there are no existing defaults by any party under any provision of the Existing Leases and Agreements of Sale, and all obligations of Borrower and all Obligor have been performed to date;

5.6 All of the Existing Leases and Agreements of Sale are valid and enforceable and are in full force and effect and, to Borrower's knowledge, are not subject to any defenses, setoffs or counterclaims;

5.7 Except as set forth herein, no management agent, representative or other party has been granted the right on behalf of Borrower to collect Rents, or to execute, deliver, modify or negotiate any Leases or Agreements of Sale;

5.8 To Borrower's knowledge, no Obligor has:

(a) applied for or consented to the appointment of a receiver, trustee or liquidator for itself or any of its property;

(b) admitted in writing its inability to pay its debts as they mature;

(c) made a general assignment for the benefit of its creditors; or

(d) been adjudicated a bankrupt or insolvent or filed a voluntary petition in bankruptcy or petition or answer seeking reorganization, arrangement of its creditors or otherwise related to any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute or an answer admitting the material allegations of the petition filed against it and any proceeding under any such law.

Each of the foregoing representations and warranties shall remain true and correct at all times during the term of this Assignment, and Borrower shall advise Agent promptly of any

change in any of such representations and warranties except that Borrower shall have no obligation to advise Agent of the expiration of any Lease, of non-material amendments to any of the Leases or Agreements of Sale, or of Borrower's execution of any Lease for which Borrower does not need Agent's consent to execute.

6. **Affirmative Covenants.** Until Agent shall have notified Borrower to the contrary, Borrower shall:

6.1 Duly and punctually perform and comply in all material respects with any and all representations, warranties, covenants and agreements of the Borrower under any Lease or Agreement of Sale;

6.2 Maintain each Lease and Agreement of Sale in full force and effect during the term thereof, subject to expiration or cancellation in accordance with the terms thereof;

6.3 Appear in and defend any action or proceeding in any manner connected with any Lease or Agreement of Sale;

6.4 Upon Agent's request, deliver to any Obligor a notice of this Assignment;

6.5 Deliver to Agent executed counterparts of all Leases and Agreements of Sale;

6.6 Deliver to Agent such further information, and execute and deliver to Agent such further assurances and assignments, with respect to the Leases, Rents and Agreements of Sale as Agent may from time to time reasonably request;

6.7 Deliver to Agent promptly upon receipt by Borrower notices of any and all defaults under any Leases or Agreements of Sale;

6.8 Enforce, short of termination of any of the Leases or Agreements of Sale, the performance or observance of every material covenant and condition to be performed or observed by any Obligor;

6.9 Deliver to Agent, within ten (10) days written demand, a statement specifying the Rents derived or received from any of the Leases and Agreements of Sale for the period specified in such demand, the disbursements made for such period and the names of all Obligors, respectively, and true and correct copies of all Leases and Agreements of Sale that have not been previously delivered to Agent for which rent or other revenues are so accounted;

6.10 Notify Agent in writing promptly after learning of the commencement of any bankruptcy, insolvency or reorganization proceeding in any court involving any Obligor; and

6.11 At any time, upon request of Agent, execute individual assignments of any Leases and Agreements of Sale.

7. **Negative Covenants.** Borrower hereby unconditionally covenants and agrees with Agent not to:

7.1 Waive or release any material rights, remedies or privileges under any of the Leases or Agreements of Sale;

7.2 Anticipate or collect any Rents more than thirty (30) days in advance of the time when the same becomes due under the terms of the Leases, other than security deposits or rental deposits;

7.3 Discount any future Rents;

7.4 Execute any other assignment of or grant any security interest in the Rents, Leases, or Agreements of Sale;

7.5 Change, alter, amend or modify any Lease or Agreement of Sale so as to decrease the monetary obligations of any Obligor, reduce the term of any Lease or otherwise materially and adversely affect the rights of Borrower thereunder;

7.6 Consent to the release of any Obligor or to the assignment of any Obligor's interest under any Lease or Agreement of Sale, except in accordance with the terms thereof;

7.7 Cancel, surrender or terminate any Lease or Agreement of Sale or exercise any option which might lead to such termination; and

7.8 Except as permitted in the Mortgage, execute any Lease or Agreement of Sale without the prior written consent of Agent as to the form and content thereof, it being agreed that any and all Leases shall contain subordination and attornment provisions satisfactory to Agent.

8. **Events of Default; Remedies.** Upon or at any time after the occurrence and during the continuance of an Event of Default, then in addition to and without limiting any of the Agent's rights and remedies hereunder and under the other Loan Documents and as otherwise available at law or in equity:

8.1 Agent, at its option, without waiving such Event of Default but after notice to Borrower, without regard to the adequacy of the security for the Secured Indebtedness, either in person or by agent, without bringing any action or proceeding, or by a receiver appointed by a court, without taking possession of the Premises in its own name, may demand, sue for or

otherwise collect and receive all Rents, including those past-due and unpaid, for application to the payment of the Secured Indebtedness in such manner and order as Agent, in its sole discretion, may determine, subject to the terms of the Mortgage. The exercise by Agent of the option granted it in this Section and the collection of the Rents and the application thereof as herein provided shall not be considered a waiver of any Event of Default by Borrower under the Mortgage or any other Loan Document;

8.2 Borrower hereby acknowledges and agrees that payment of any item by a person to the Agent as hereinabove provided shall constitute payment in full of such item of Rent by such person, as fully and with the same effect as if it had been paid to Borrower;

8.3 The Agent in respect of the Leases, Agreements of Sale and Rents shall have all of the rights and remedies of a secured party under the Code to the extent of such rights thereunder and additional rights and remedies to which a secured party is entitled under the laws in effect in any jurisdiction where any rights and remedies hereunder may be asserted.

9. Attorney-in-Fact. Upon the occurrence and during the continuance of an Event of Default, Borrower does hereby irrevocably appoint the Agent as its attorney-in-fact with full power, in the name and stead of Borrower to demand, collect, receive and give complete acquittance for any and all of the Rents now due or that may hereafter become due, and at the Agent's discretion, to file any claim, to take any other action, to institute any proceeding or to make any settlement of any claim, either in its own name or in the name of Borrower or otherwise, which the Agent may deem necessary or desirable in order to collect and enforce the payment of Rents.

10. Application of Rents by Agent. Agent may apply all Rents collected by Agent to the Secured Indebtedness in such order, manner and amount as Agent may elect in its sole discretion.

11. Termination. The Agent, by the acceptance of this Assignment, agrees that when all Secured Indebtedness shall have been paid in full this Assignment shall terminate as evidenced by the satisfaction of the Mortgage, and the Agent shall execute and deliver to Borrower upon such termination such further instruments of re-assignment and Code termination statements, all without recourse and without any representation or warranty whatsoever, as shall be reasonably requested by Borrower.

12. No Waiver by Agent.

12.1 Failure of Agent to exercise any of the terms, covenants or conditions of this Assignment shall not be construed or deemed to be a waiver of any of Agent's rights hereunder. The rights and remedies of Agent under this Assignment are cumulative and are in addition to, and shall not be affected by the exercise of, any other rights and remedies which Agent shall have at law or equity, or under any of the other Loan Documents (collectively, the "Other

Rights"). The rights and remedies of Agent hereunder may be exercised concurrently with any of the Other Rights.

12.2 Nothing contained in this Assignment shall prejudice the right of Agent under any of the Loan Documents, without notice except as may be expressly provided for herein, to institute, prosecute and compromise any action, which it would deem advisable to protect its interest in the Property, including, without limitation, an action to foreclose the Mortgage, and in such action to move for the appointment of a receiver of the rents, or prejudice any rights which Agent shall have by virtue of any default under the Notes, the Mortgage or any of the other Loan Documents.

13. **No Waiver by Agent.** Neither the acceptance by Agent of this Assignment, nor the grant or exercise of any other right, power, privilege or authority contained herein shall: (a) prior to the actual taking of physical possession and operational control of the Premises by Agent, be deemed to constitute Agent as a "mortgagee in possession"; (b) prior to the actual taking of physical possession and operational control of the Premises, make any member of the Lender Group responsible for the control, care, management or repair of the Premises or for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss, injury or death to any lessee, licensee, employee, purchaser or other person; or (c) obligate any member of the Lender Group: (i) to appear in or defend any action or proceeding relating to the Leases, the Rents, the Agreements of Sale or the Premises or prior to the actual taking of physical possession and operational control of the Premises to perform or discharge any obligation or duty to be performed or discharged by Borrower under any Lease or Agreement of Sale; (ii) to take any action hereunder; (iii) to expend any money, incur any expenses or perform or discharge any obligation, duty or liability with respect to any Lease or Agreement of Sale; or (iv) to assume any obligation or responsibility for any deposits which are not physically delivered to Agent.

14. **Borrower's Indemnities.** Borrower shall indemnify and hold harmless all members of the Lender Group from and against any and all liability, loss, cost, damage or expense which any member of the Lender Group may incur under or by reason of this Assignment, or for any action which any member of the Lender Group has taken hereunder for any alleged obligation, duty or undertaking on any member of the Lender Group's part to perform or discharge any of the Leases or the Agreements of Sale, or by reason of or in defense of any and all claims and demands whatsoever which may be asserted against any member of the Lender Group arising out of the Leases or the Agreements of Sale, provided, however, Borrower shall have no obligation to indemnify or hold harmless the Lender Group for any liability, loss, cost, damage or expense arising after Agent has taken actual physical possession of the Premises. In the event any member of the Lender Group incurs any such liability, loss, cost, damage or expense, the amount thereof together with all reasonable attorneys' fees and costs and interest thereon at the Default Rate applicable to the Revolving Credit Facility as set forth in the Loan Agreement shall be payable by Borrower to any member of the Lender Group within ten (10) days of demand, and shall be secured by the Mortgage.

15. **No Merger of Estates.** So long as any part of the Secured Indebtedness remains unpaid and undischarged, the fee and leasehold estates to the Premises shall not merge but rather shall remain separate and distinct, notwithstanding the union of such estates either in Borrower, Agent, any Obligor or otherwise.

16. **Construction.** The use of the words "Borrower", "Agent", "Obligor", or "Lender" shall be deemed to include the successors and assigns of the party or parties. If there shall be more than one Borrower or party constituting the Borrower, the obligation of each shall be joint and several. The use of any gender shall include all genders. The singular number shall include the plural, or the plural the singular, as the context may require. Wherever in this Assignment the Agent's consent or approval is required or permitted, such consent or approval shall be at the sole and absolute discretion of Agent.

17. **Notices.** All notices given to Borrower or Agent hereunder shall be valid only if given in the manner set forth in the Mortgage.

18. **Applicable Law.** This Assignment shall be governed by and construed in accordance with the laws of the State of Indiana, without regard to any rules or principles regarding conflict of laws or any rule or canon of construction which interprets agreements against the draftsman.

19. **Invalid Provisions Disregarded.** If any term or provision of this Assignment or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Assignment or the application of such terms or the provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and each term and provision of this Assignment shall be valid and enforced to the fullest extent permitted by law.

20. **Captions.** The captions appearing in this Assignment are inserted solely for convenience of reference, and shall not constitute a part of this Assignment, nor shall they in any way affect its meaning, construction or effect.

21. **Mortgage.** Reference is made to the Mortgage in which Borrower conveys the Rents and grants a security interest in the Rents for the benefit of Agent. Any express or implied conflict between this Assignment and the Mortgage with regard to the Rents, Leases and Agreements of Sale shall be resolved in favor of the enforcement of the provisions of this Assignment.

IN WITNESS WHEREOF, Borrower has caused this Assignment to be duly executed under seal as of the day first above written.

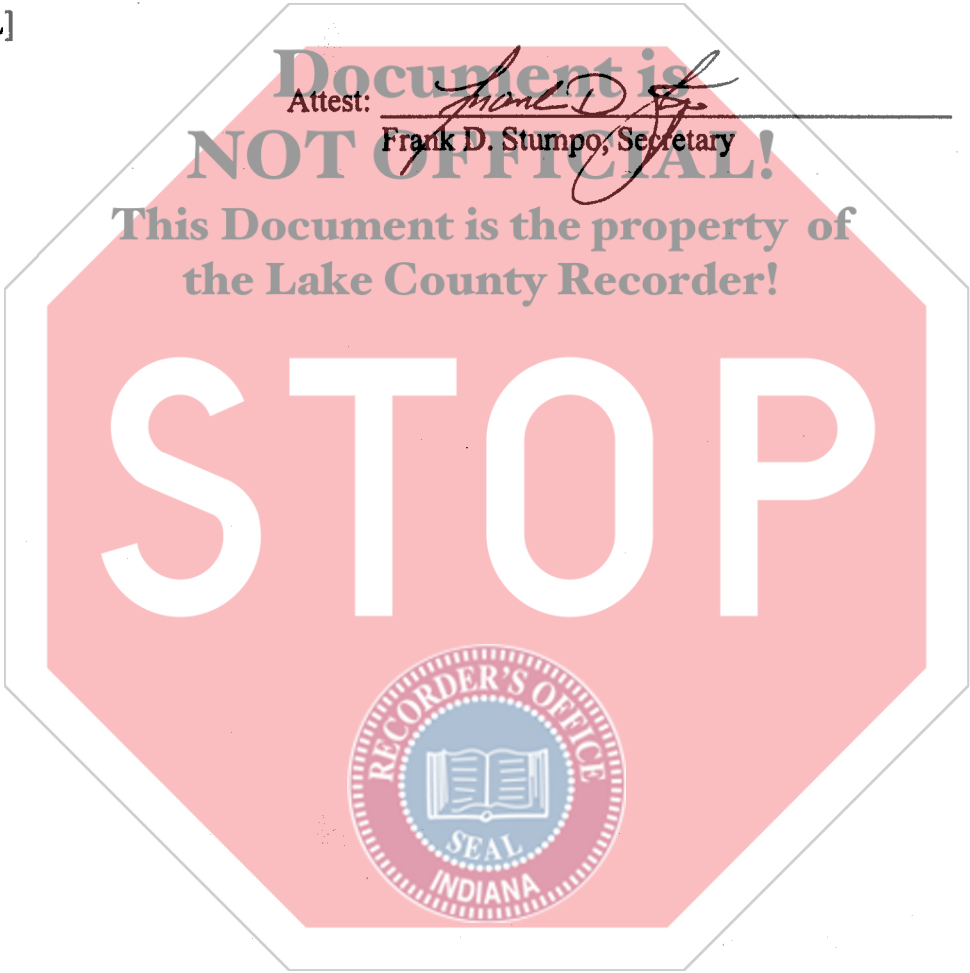
Borrower:

RESCO PRODUCTS, INC.

By: William K. Brown
William K. Brown, President

[CORPORATE SEAL]

Attest: Frank D. Stumpo
Frank D. Stumpo, Secretary





Parcel 1: A parcel of land situate in the Southeast Quarter of Section 33, Township 37 North, Range 9 West of the Second Principal Meridian, described as follows:

Beginning on the West line of the Southeast Quarter of Section 33, Township 37 North, Range 9 West of the Second Principal Meridian at a point which is 534.38 feet North of the Southwest corner of said Quarter Section; thence East 1 degree 5 minutes South a distance of 862.76 feet; thence East 3 degrees 56 minutes 45 seconds South a distance of 200.25 feet; thence East 1 degree 5 minutes South a distance of 587.72 feet to a point which is 1,650 feet due East of the West line of said Quarter Section and 100 feet North of (measured at right angles to) the North line of the Indiana East-West Toll Road; thence North 0 degrees 0 minutes along a line parallel to the West line of said Quarter Section a distance of 1,949.32 feet, more or less, to the South bank of the Grand Calumet River; thence West 15 degrees 40 minutes North along the South bank of the River a distance of 553 feet; thence West 12 degrees 30 minutes South along the South bank of the River a distance of 454.19 feet; thence West 42 degrees 17 minutes South along the South bank of the River a distance of 248.91 feet; thence West 64 degrees 23 minutes South along the South bank of the River a distance of 462 feet; thence West 57 degrees 20 minutes South along the South bank of the River a distance of 537.71 feet, more or less, to a point on the West line of the said Quarter Section, which point is 1,456.80 feet North of the Southwest

Exhibit "A"

corner of said Quarter Section; thence South 0 degrees 0 minutes along the West line of said Quarter Section a distance of 922.42 feet to the place of beginning, in the City of Hammond, Lake County, Indiana.

Parcel 2: A parcel of land in the Southeast Quarter of Section 33, Township 37 North, Range 9 West of the Second Principal Meridian, described as follows:

Beginning on the West line of the Southeast Quarter of Section 33, Township 37 North, Range 9 West of the Second Principal Meridian, at a point which is 534.38 feet North of the Southwest corner of said Quarter Section; thence East 1 degree 5 minutes South a distance of 862.76 feet; thence East 3 degrees 56 minutes 45 seconds South, a distance of 200.25 feet; thence East 1 degree 5 minutes South, a distance of 587.72 feet to a point which is 1,650 feet due East of the West line of said Quarter Section and 100 feet North of (measured at right angles to) the North line of the Indiana East-West Toll Road; thence South along a line parallel to the West line of said Quarter Section, a distance of 34.006 feet to a point of intersection with a line which is 66.00 feet North of and parallel to North right-of-way line of the Indiana East-West Toll Road; thence West 1 degree 5 minutes North a distance of 589.21 feet; thence West 3 degrees 56 minutes 45 seconds North a distance of 200.25 feet; thence West 1 degree 5 minutes North 861.27 feet to a point on the West line of said Quarter Section; thence North a distance of 34.006 feet to the place of beginning, in the City of Hammond, Lake County, Indiana.



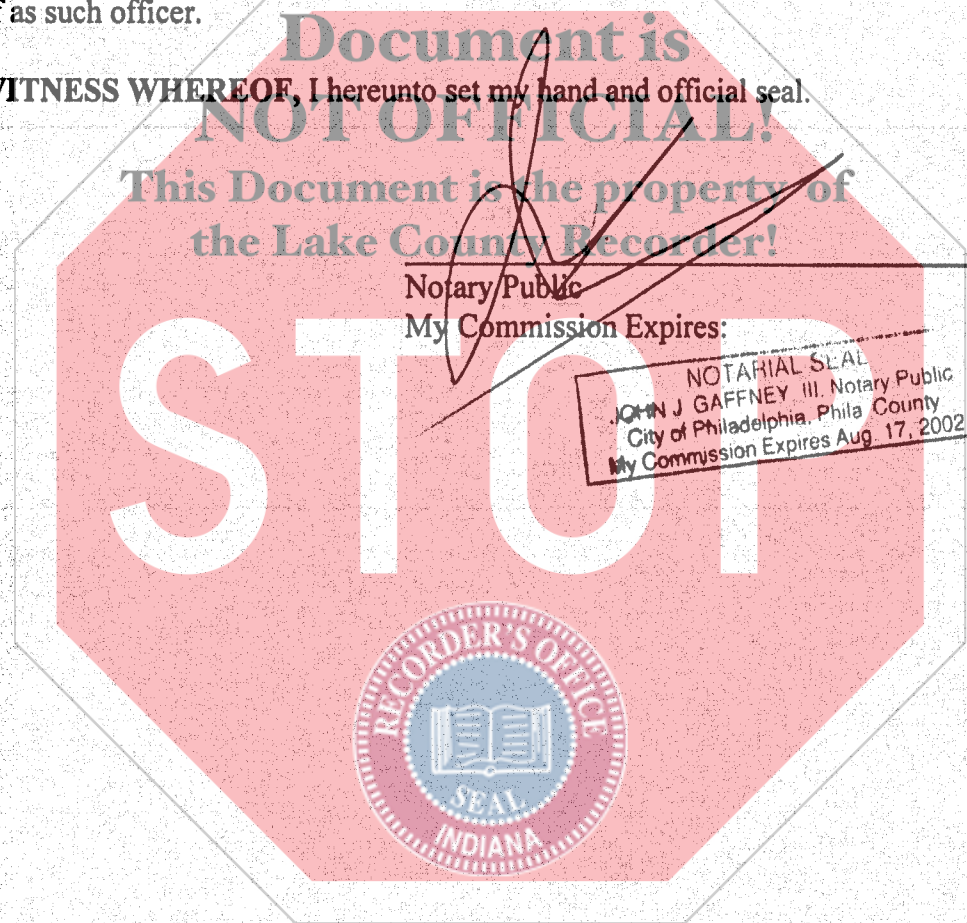
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ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :
COUNTY OF Phila : ss.
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On this, the 21 day of February, 2000, before me, a notary public, the undersigned officer, personally appeared William K. Brown, who acknowledged himself to be a President of Resco Products, Inc., a Pennsylvania corporation, and that he as such, being authorized to do so executed the foregoing instrument for the purposes therein contained, by signing the name of the President by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

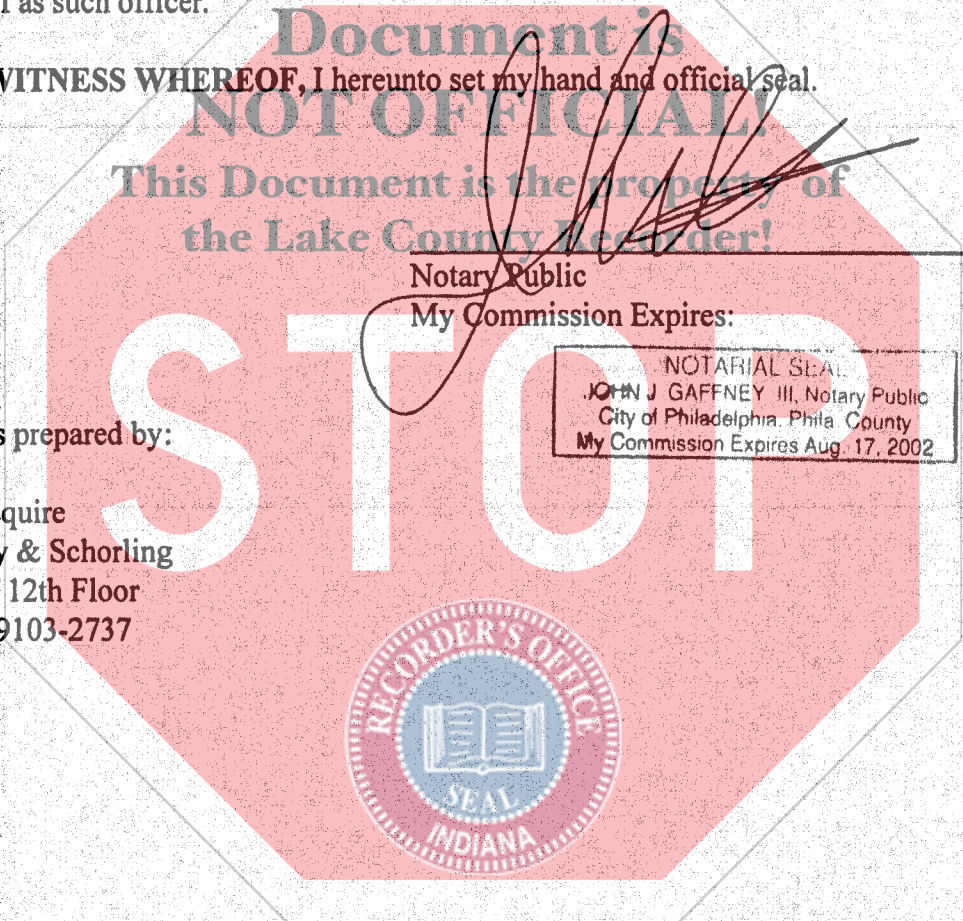


ACKNOWLEDGMENT

COMMONWEALTH OF PENNSYLVANIA :
: **ss.**
COUNTY OF :

On this, the 17 day of February, 2000, before me, a notary public, the undersigned officer, personally appeared Frank D. Stumpo, who acknowledged himself to be a Secretary of Resco Products, Inc., a Pennsylvania corporation, and that he as such, being authorized to do so executed the foregoing instrument for the purposes therein contained, by signing the name of the Secretary by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



This instrument was prepared by:

Anthony J. Krol, Esquire
Klett Lieber Rooney & Schorling
Two Logan Square, 12th Floor
Philadelphia, PA 19103-2737
(215) 567-7500