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LAKE COUNTY
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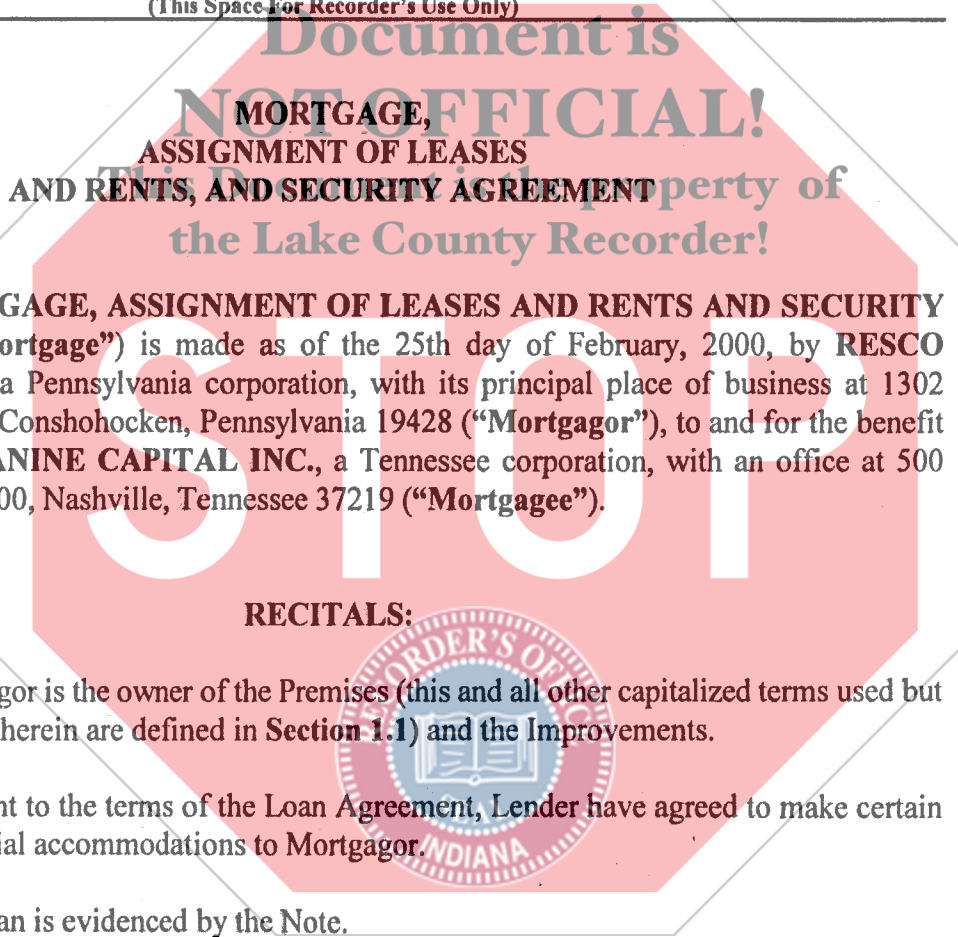
Property Located in: Lake County, IN

MICHAEL W. CARTER
RECORDER

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THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT ("Mortgage") is made as of the 25th day of February, 2000, by **RESCO PRODUCTS, INC.**, a Pennsylvania corporation, with its principal place of business at 1302 Conshohocken Road, Conshohocken, Pennsylvania 19428 ("**Mortgagor**"), to and for the benefit of **FINOVA MEZZANINE CAPITAL INC.**, a Tennessee corporation, with an office at 500 Church Street, Suite 200, Nashville, Tennessee 37219 ("**Mortgagee**").

RECITALS:

- A.** Mortgagor is the owner of the Premises (this and all other capitalized terms used but not elsewhere defined herein are defined in **Section 1.1**) and the Improvements.
- B.** Pursuant to the terms of the Loan Agreement, Lender have agreed to make certain loans and other financial accommodations to Mortgagor.
- C.** The Loan is evidenced by the Note.
- D.** One of the conditions precedent to the obligation of Lender to make the Loan is the execution and delivery by Mortgagor of this Mortgage.

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ARTICLE I - DEFINITIONS AND DETERMINATIONS

1.1 **Definitions.** Capitalized terms used but not elsewhere defined in this Mortgage shall have the meanings ascribed thereto in the Loan Agreement. When used in this Mortgage, the following terms shall have the following meanings:

Construction Contracts: any contracts executed by Mortgagor with any provider of goods or services in connection with any construction undertaken on, or services performed in connection with, the Premises or the Improvements.

Deposits: all deposits (i) received by Mortgagor from third parties (including all earnest money sales deposits) or (ii) deposited by Mortgagor with Mortgagee or third parties, including deposits pertaining to utility services, real estate taxes, special assessments and payment of insurance premiums.

Documents: any mortgage, deed of trust, assignment of leases, assignment of rents, note, indemnification agreement, security agreement, financing statement, affidavit, assignment of insurance, loss payee endorsement, mortgage title insurance policy, opinion letter, waiver letter, estoppel letter, consent letter, insurance certificate and any other similar documents.

Equipment: all apparatus, machinery, equipment, furniture, fixtures, fittings, goods, materials, supplies and chattels of any and every kind and nature whatsoever now or hereafter used, attached to, installed or located in or on the Premises and/or the Improvements, including any item used to supply heat, gas, air conditioning, water, light, electricity, power, plumbing, refrigeration, sprinkling, ventilation, mobility, communication, incineration, recreation, laundry service or any other related services.

Event of Default: each of the Events of Default set forth in the Loan Agreement.

Imposts: any disbursements made in accordance with the terms hereof for the payment of taxes, levies or insurance on the Premises.

Improvements: the buildings and improvements now or hereafter located on the Premises, all tenements, easements, rights-of-way, hereditaments and appurtenances now and/or at any time hereafter situated on such real estate and all roads, alleys, streets, passages and other public ways abutting such real estate, whether before or after vacation thereof and whether in existence as of the date hereof or created after the date hereof.

Leases: collectively, all (i) present and future leases, subleases, agreements, tenancies, subtenancies, licenses, occupancy agreements, concessions and franchises of Mortgagor's present and future right, title, and interest in and to the Premises and/or the Improvements, (ii) deposits of money as advance rent or for security under any of the Leases

and (iii) guaranties of performance under the items described in clauses (i) and (ii) preceding.

Loan Agreement: that certain Loan Agreement dated as of February 25, 2000 among Mortgagor and Mortgagee as the same may be amended, modified, supplemented or restated after the date hereof.

Mortgaged Property: collectively, all of Mortgagor's present and future estate, right, title, and interest in and to the following:

- (a) the Premises;
- (b) the Improvements;
- (c) the Rents;
- (d) the Leases;
- (e) all Plans;
- (f) all Deposits;
- (g) all Permits;
- (h) all Equipment;
- (i) all Construction Contracts;
- (j) all present and future judgments, awards of damages and settlements made as a result or in lieu of any taking of all or any part of the Premises, Improvements, Equipment and/or Leases under the power of eminent domain, or for any damage thereto as a result of any such taking;
- (k) all insurance policies in force or effect insuring the Premises, the Improvements, the Rents, the Leases or the Equipment;
- (l) rights arising out of Mortgagor's interest in the Premises and the Improvements to (i) the payment of money, (ii) accounts and accounts receivable, (iii) reserves, (iv) deferred payments, (v) refunds, (vi) cost savings, (vii) bank accounts, (viii) deposit accounts, (ix) working capital accounts and (x) contract rights;
- (m) all development and use rights with respect to the Premises, the Improvements and/or the Leases;

(n) all chattel paper, instruments, documents, notes, drafts and letters of credit, other than letters of credit in favor of Mortgagee, which arise from or relate to (i) construction on the Premises or (ii) the Premises and Improvements generally;

(o) all causes of action and proceeds thereof for any damage or injury to the Premises or the Improvements or any other portion of the Mortgaged Property described above, in addition to those described in clause (j) above, or breach of warranty in connection with the construction of all or any portion of the Improvements; and

(p) all proceeds (including condemnation and insurance proceeds) of, additions to, substitutions for, and changes in each and every one of the foregoing.

Mortgage Lien: the Lien in favor of Mortgagee represented by this Mortgage.

Mortgagor's Obligations: (i) any and all Indebtedness due or to become due, now existing or howsoever arising of Mortgagor to Lender pursuant to the terms of the Loan Instruments, including, without limitation, all advances made in accordance with the terms hereof to protect and preserve the value of the Mortgaged Property and the priority of the Mortgage Lien and (ii) the performance of the covenants of Mortgagor contained in the Loan Instruments.

Permits: all permits, certificates, approvals, management contracts, licenses, applications and authorizations used in the operation of the Premises, Improvements and/or the Leases.

Plans: all plans and specifications, designs, surveys, drawings, soil reports and other matters prepared for any construction on the Premises.

Premises: the real property legally described in EXHIBIT A.

Rents: all present and future rents, royalties, issues, avails, profits and proceeds of or from the Premises, the Improvements, the Leases and/or the Equipment.

1.2 Certain Terms. Wherever used in this Mortgage:

1.2.1 And/Or. The term "and/or" means one or the other or both.

1.2.2 References. All references to "Article", "Section", "subsection", "Subparagraph", "Clause" or "Exhibit", unless otherwise stated, shall be deemed to refer to an Article, Section, subsection, subparagraph, clause or Exhibit, as applicable, of this Mortgage.

1.2.3 Exhibits. Each reference to an "Exhibit" to this Mortgage is to an Exhibit which is attached to this Mortgage, each of which Exhibits is deemed to be a part hereof.

ARTICLE II - CONVEYANCE

2.1 Mortgaged Property. To secure the payment and performance of Mortgagor's Obligations, subject to the terms, covenants and provisions contained herein, Mortgagor hereby irrevocably MORTGAGES, WARRANTS AND CONVEYS TO AND GRANTS A SECURITY INTEREST IN the Mortgaged Property to Mortgagee, its successors and/or assigns hereunder forever. Mortgagee, its successors and assigns, subject to the terms of this Mortgage, are to have and to hold all such Mortgaged Property forever for the benefit of Mortgagee for the purposes and uses set forth in this Mortgage.

2.2 Security Agreement and Fixture Filing. This Mortgage constitutes a security agreement with respect to the portion of the Mortgaged Property which consists of personal property and a financing statement filed as a fixture filing under the Uniform Commercial Code of the State in which the Premises are located, covering any property which now is or later may become a fixture attached to the Premises or the Improvements.

2.3 Absolute Assignment. This Mortgage is a present and absolute assignment with respect to the Leases and the Rents, subject, however, to the provisions of Article IX below.

ARTICLE III - LIMITATION ON AMOUNT SECURED

3.1 Limitation on Amount Secured. The total amount of Indebtedness secured by this Mortgage may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed the sum of (i) TWENTY-TWO MILLION AND 00/100 DOLLARS (\$22,000,000.00), plus (ii) interest thereon, plus (iii) any Imposts, plus (iv) any amounts paid by Mortgagee pursuant to Section 10.2 hereof, plus (v) all costs and expenses incurred by Mortgagee in enforcing its rights and remedies under this Mortgage, plus (vi) interest on the disbursements described in clauses (iii), (iv) and (v) preceding, which interest shall be calculated at the Default Rate.

ARTICLE IV - REPRESENTATIONS AND WARRANTIES

Mortgagor represents and warrants to Mortgagee as follows:

4.1 Title. Mortgagor (i) has full legal power and authority to mortgage and convey the Premises and (ii) is the holder of fee simple title to the Premises, free and clear of all Liens except Permitted Liens.

4.2 Location, Use of Premises, Improvements and Equipment. To the Mortgagor's knowledge after due inquiry, the location and use of the Premises, the Improvements and the Equipment are in compliance, in all material respects, with all applicable laws, rules, ordinances and regulations, including, but not limited to, building and zoning laws, and all covenants and restrictions of record. No notice of violation of such laws, rules and/or ordinances has been issued and received by Mortgagor which remains uncorrected.

4.3 Loan Agreement. All representations and warranties of Mortgagor set forth in the Loan Agreement are true and correct and are deemed to be remade herein, including, without limitation, those with respect to (i) Liens, (ii) Hazardous Materials, Environmental Laws and other environmental matters affecting the Mortgaged Property and (iii) taxes, assessments, levies, impositions and charges that have been or hereafter may be imposed or assessed against all or any portion of the Mortgaged Property.

4.4 Copy of Mortgage. Mortgagor has been furnished with a true, correct and complete copy of this Mortgage.

4.5 Legal Counsel. Throughout the transaction contemplated by this Mortgage, Mortgagor has retained and has been represented by legal counsel of its own choosing.

4.6 Business Loan. The Loan constitutes a business loan transaction and proceeds of such Loan are to be utilized solely for the purpose of carrying on the business of Mortgagor.

4.7 No Agricultural Purposes. No part of the Mortgaged Property is used principally or primarily for agricultural or farm purposes.

ARTICLE V - AFFIRMATIVE COVENANTS

Until Mortgagor's Obligations are paid and performed in full, Mortgagor agrees it shall:

5.1 Payment and Performance of Mortgagor's Obligations. Promptly pay or perform, or cause to be paid or performed, when due all of Mortgagor's Obligations.

5.2 Maintenance of Rights. Maintain the standing, right, power and lawful authority to do the following where failure to so have and hereafter maintain any of the same would have a Material Adverse Effect: (i) own good title to the Mortgaged Property, (ii) carry on the business of and operate the Mortgaged Property, (iii) enter into, execute and deliver this Mortgage, (iv) convey and assign the interests of Mortgagor in the Mortgaged Property to Mortgagee, (v) encumber the Mortgaged Property to Mortgagee as provided herein and (vi) consummate all of the transactions described in or contemplated by this Mortgage to be consummated by Mortgagor.

5.3 Maintenance of Permits. Obtain and maintain all Permits where the failure to obtain and/or maintain any such Permit would have a Material Adverse Effect.

5.4 Peaceful Possession. Remain in peaceful possession of the Mortgaged Property and take all actions necessary to maintain and preserve the Mortgage Lien.

5.5 Payment of Liens. Promptly pay or cause to be paid, as and when due and payable or when declared due and payable, any Indebtedness which may become or be secured by any Lien on any Mortgaged Property and, immediately upon request by Mortgagee, deliver to Mortgagee evidence satisfactory to Mortgagee of the payment and discharge thereof. Notwithstanding the immediately preceding sentence, Mortgagor shall have the right to contest, in good faith and with due diligence, the validity or amount of any Lien. However, said right to contest is conditional upon (i) such contest shall have the effect of preventing the sale or forfeiture of the Premises or any part thereof, or any interest therein, to satisfy such Lien; (ii) Mortgagor giving Mortgagee written notice of its intention to contest the same in a timely manner, which shall mean within ten (10) days after Mortgagor receives actual notice of said Lien; (iii) such contest shall not have a Material Adverse effect; and (iv) Mortgagor depositing and thereafter maintaining with Mortgagee or other such depository as Mortgagee may designate, a sum of money or other collateral acceptable to Mortgagee in Mortgagee's reasonable discretion shall be sufficient to pay in full such Lien and all interest which might become due thereon. If Mortgagor shall: (x) fail to prosecute such contest with reasonable diligence, or (y) fail to maintain sufficient funds on deposit as hereinabove provided, then Mortgagee may, at its option, apply the money so deposited in payment of or on account of such Lien, or that part thereof then unpaid, together with all interest thereon. If the amount of money so deposited shall be insufficient for the payment in full of such Lien, together with all interest thereon, Mortgagor shall forthwith, within five (5) days of demand, deposit with Mortgagee a sum which, when added to the funds then on deposit, shall be sufficient to make such payment in full. Mortgagee shall, upon the final disposition of such contest, apply the money so deposited in full payment of such Lien or that part thereof then unpaid, together with all interest thereon (provided there is no Event of Default hereunder) when so requested in writing by Mortgagor and when furnished by Mortgagor with sufficient funds to make such payment in full and with evidence satisfactory to Mortgagee of the amount of payment to be made. When Mortgagee is presented evidence reasonably acceptable to Mortgagee that the Lien for which money or other collateral has been deposited has been paid in full or otherwise discharged or released and provided there is no Event of Default under the Loan Agreement, the remaining money or other collateral so deposited shall be returned to Mortgagor. If and so long as Mortgagor complies with the First Mortgage (as defined below) in contesting any Liens, then Mortgagor shall not be required to comply with clause (iv) of the second sentence of this Section 5.5.

5.6 Repairs. Make all necessary repairs, replacements and renewals (including the replacement of any items of Equipment) to the Mortgaged Property so that the value thereof shall not be impaired to such extent so as to cause a Material Adverse Effect, including, without limitation, repairing, restoring or rebuilding any building or improvement now or hereafter on the Premises which may become damaged or destroyed, and if any portion of the Mortgaged Property becomes damaged or destroyed, permit Mortgagee, and its agents, upon prior notice and demand, access to the Mortgaged Property for the purpose of inspection thereof.

5.7 Buildings and Improvements. Pay for and complete, within a reasonable time, any building or improvement at any time in the process of being erected upon the Premises.

5.8 Execution of Documents. Immediately upon request by Mortgagee, at Mortgagor's sole expense, make, execute and deliver and/or cause to be made, executed and delivered to Mortgagee, in form and substance reasonably acceptable to Mortgagee, all Documents that Mortgagee deems necessary to evidence, document and/or conclude the transactions described in and/or contemplated by this Mortgage, or reasonably required to perfect or continue perfected the Mortgage Lien.

5.9 Compliance With Laws. Except as to matters being contested in good faith, with due diligence, and by appropriate proceedings (unless such contest is prohibited by the terms of the Loan Agreement or this Mortgage), comply in all material respects with all applicable laws, rules, ordinances and regulations, including, without limitation, building and zoning laws, and all covenants and restrictions of record, the failure to comply with which would have a Material Adverse Effect.

5.10 Loan Agreement. Comply with all covenants, agreements and indemnifications contained in the Loan Agreement, including those with respect to (i) taxes, assessments, levies, impositions and charges as they relate to Mortgagor or the Mortgaged Property, (ii) delivery of financial statements, reports and other information, (iii) insurance policies to be maintained for the Mortgaged Property and the settlement, receipt and application of insurance proceeds arising under such insurance policies and (iv) Hazardous Materials, Environmental Laws and other environmental matters as they relate to Mortgagor or the Mortgaged Property.

5.11 Stamp Tax; Effect of Change in Laws Regarding Taxation.

5.11.1 Payment of Stamp Tax. If, by the laws of the United States of America or of any state or subdivision thereof having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the issuance of the Note or the recording of this Mortgage or any of the other Loan Instruments and unless such laws prohibit Mortgagor from paying such tax, (i) pay such tax in the manner required by any such law and (ii) reimburse Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any tax on the issuance of the Note.

5.11.2 Payment of Taxes Imposed on Mortgagee. In the event of the enactment, after this date, of any law, statute, rule or regulation of the United States of America or of the State in which the Premises are located or any other state or subdivision thereof imposing upon Mortgagee the payment of the whole or any part of the taxes, assessments or Liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Premises or any other portion of the Mortgaged Property, or the manner of collection of taxes, so as to affect this Mortgage or Mortgagor's Obligations or the holder thereof, then, and in any such event, within thirty (30) days of demand by Mortgagee, pay

such taxes or assessments or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee, (i) it might be unlawful to require Mortgagor to make such payment, or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in any such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of Mortgagor's Obligations to be and become due and payable one-hundred and twenty (120) days from the date of giving of such notice.

5.11.3 Payment of Taxes upon the Sale of the Mortgage. In the event of a sale or assignment of this Mortgage by Mortgagee, Mortgagor shall not be responsible for the payment of any tax imposed upon Mortgagee as a result of such sale or assignment, unless said tax is imposed in connection with (i) a sale or assignment of this Mortgage to an affiliate of Mortgagee, or (ii) the acquisition of Mortgagee by or merger of Mortgagee with a third party.

ARTICLE VI - NEGATIVE COVENANTS

Until Mortgagor's Obligations are paid and performed in full, Mortgagor agrees it will not:

6.1 Sale or Transfer. Sell, transfer, exchange, convey, remove or otherwise dispose of all or any portion of the Mortgaged Property or legal or equitable interest therein, except to the extent permitted by the Loan Agreement.

6.2 Liens. Permit any Liens to exist on the Mortgaged Property except (i) Permitted Liens, and (ii) Leases, if any.

6.3 Use of Mortgaged Property. Substantially or materially change the use or character of any portion of the Mortgaged Property or commit or suffer any waste to exist on any portion of the Mortgaged Property. Additionally, Mortgagor agrees it will not initiate or acquiesce in any zoning variation or reclassification of any portion of the Mortgaged Property without the prior written consent of Mortgagee, which will not be unreasonably withheld.

6.4 Insurance. Purchase any separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under the Loan Instruments unless (i) Mortgagee receives prompt notice thereof and is included thereon under a standard non-contributory mortgagee clause acceptable to Mortgagee, (ii) such separate insurance otherwise complies with all of the requirements of the Loan Instruments and (iii) there is delivered to Mortgagee promptly a certificate with respect to such insurance.

ARTICLE VII - INSURANCE

7.1 Adjustment of Losses; Collection of Proceeds. In case of loss or damage by fire or other insured casualty to all or any portion of the Mortgaged Property, Mortgagee is authorized and empowered to take all actions provided for in the Loan Agreement.

7.2 Application of Proceeds. Any insurance proceeds received by Mortgagor shall be applied in accordance with the applicable provisions of the Loan Agreement.

7.3 Failure to Collect Proceeds. Mortgagee shall not be held responsible for (i) any failure to collect any insurance proceeds due under the terms of any policy, regardless of the cause of such failure, (ii) the amount of any such proceeds ultimately paid, regardless of any negotiation by Mortgagee of such amount, or (iii) any use by Mortgagor of such proceeds as Mortgagee may pay over to Mortgagor.

ARTICLE VIII - CONDEMNATION

8.1 Notice; Assignment of Proceeds. Mortgagor shall notify Mortgagee immediately of the institution or threat of institution of any proceeding pertaining to the condemnation of any portion of the Mortgaged Property. Mortgagee is authorized and empowered to take all actions provided for in the Loan Agreement.

8.2 Application of Proceeds. Any condemnation proceeds received by Mortgagee or Mortgagor shall be applied in accordance with the applicable provisions of the Loan Agreement.

8.3 Failure to Collect Proceeds. Mortgagee shall not be held responsible for (i) any failure to collect any condemnation proceeds, regardless of the cause of such failure, (ii) the amount of any such proceeds ultimately paid, regardless of any negotiation by Mortgagee of such amount, or (iii) any use by Mortgagor of such proceeds as Mortgagee may pay over to Mortgagor.

ARTICLE IX - LEASES AND RENTS

9.1 License to Collect. Subject to Mortgagee's rights under Section 11, Mortgagee hereby confers upon Mortgagor a non-exclusive license to collect and retain the Rents as they become due and payable.

9.2 Rent Roll, Copies of Leases. Upon Mortgagee's request, Mortgagor shall deliver to Mortgagee (i) a rent roll pertaining to all Leases, (ii) copies of all Leases and (iii) such other matters and information relating to any Lease as Mortgagee may reasonably request.

ARTICLE X - CERTAIN RIGHTS OF MORTGAGEE

10.1 Documents. In case Mortgagor fails to execute or obtain any Documents required by Mortgagee for the perfection or continuation of the Mortgage Lien, Mortgagor hereby appoints Mortgagee as its true and lawful attorney-in-fact to execute or obtain any such Documents on its behalf, if Mortgagor fails to execute or delivery any such Documents within five (5) days of demand by Mortgagee.

10.2 Maintenance of Mortgaged Property. If Mortgagor, within thirty (30) days after receipt of written demand from Mortgagee (except in cases of emergency, when no demand shall be required), shall neglect or refuse to (i) keep the Mortgaged Property in good operating condition and repair, (ii) replace or maintain the same as herein agreed, (iii) pay the premiums for the insurance which is required to be maintained hereunder, (iv) pay and discharge all Liens as herein agreed (subject to Mortgagor's right to contest as provided herein), or (v) otherwise perform Mortgagor's Obligations within the time periods specified therefor (including any applicable cure periods), Mortgagee, at its option and sole election, may cause such repairs or replacements to be made, obtain such insurance, pay such Liens or perform such Mortgagor's Obligations. Any amounts paid by Mortgagee in taking such action, together with interest thereon at the Default Rate until repaid by Mortgagor to Mortgagee, shall be due and payable by Mortgagor to Mortgagee upon demand, and, until paid, shall constitute a part of Mortgagor's Obligations secured by this Mortgage. Mortgagee shall not be liable to Mortgagor for failure or refusal to exercise any such right. In making any payments pursuant to the exercise of any such right, Mortgagee may rely upon any bills delivered to it by Mortgagor or any such payee.

ARTICLE XI - DEFAULT AND REMEDIES

The occurrence of an Event of Default under the Loan Agreement shall constitute an Event of Default under this Mortgage. Upon the occurrence of an Event of Default, Mortgagee, in its sole discretion and at its sole election, without notice of such election, and without further demand, may exercise any one or more of the following rights and remedies:

11.1 Acceleration. Mortgagee may declare all of Mortgagor's Obligations immediately due and payable, whereupon Mortgagor's Obligations immediately shall mature and become due and payable.

11.2 Other Remedies. To the extent permitted by applicable law, Mortgagee may exercise any one or more of the following remedies, whether or not Mortgagor's Obligations have been accelerated:

11.2.1 Taking of Possession. Mortgagee, by itself or by such officers or agents as it may appoint, may enter and take exclusive possession of all or any part of the Mortgaged Property, including all books, papers and accounts of Mortgagor relating to the business of Mortgagor conducted at such Mortgaged Property, and may expel, remove and

exclude Mortgagor, its agents and employees and any persons, goods and chattels occupying the Mortgaged Property. If Mortgagor for any reason fails to surrender or deliver the Mortgaged Property or any part thereof after such demand by Mortgagee, Mortgagee may obtain a judgment or decree conferring on Mortgagee the right to immediate possession or requiring the delivery to Mortgagee of the Mortgaged Property, and Mortgagor specifically consents to the entry of such judgment or decree. Upon every such taking of possession, Mortgagee may (i) hold, store, use, operate, manage and control the Mortgaged Property and conduct the business of Mortgagor thereon, (ii) perform all necessary and proper maintenance and make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other Property, (iii) keep the Mortgaged Property insured, (iv) manage and operate the Mortgaged Property and exercise all of the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name, (v) enter into any agreements with respect to the exercise by others of any of the powers granted to Mortgagee herein, in such manner as Mortgagee shall elect, (vi) collect and receive all of the Rents, including those past due as well as those accruing after the occurrence of any such Event of Default and (vii) after deducting (A) all expenses of taking, holding, managing and operating the Mortgaged Property (including compensation for the services of all Persons employed for such purposes), (B) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions, (C) the cost of such insurance, (D) such taxes, assessments and other similar charges as Mortgagee may determine to pay, (E) other proper charges upon the Mortgaged Property or any part thereof and (F) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, apply the remainder of the monies and proceeds so received by Mortgagee as described in Section 11.7 hereof.

11.2.2 Deposits for Taxes and Insurance. Except to the extent Mortgagor has made deposits with the holder of the First Mortgage (as defined hereinafter), Mortgagee may require Mortgagor to deposit with Mortgagee, commencing 10 days following notice of an Event of Default and on the first day of each month thereafter, a sum equal to the amount of all insurance premiums next due in respect of the insurance policies required to be maintained under the Loan Instruments and all general and special real estate taxes and assessments next due upon or for the Mortgaged Property (the amount of such insurance premiums, taxes and assessments next due to be based upon Mortgagee's reasonable estimate, but shall include all taxes or assessments not levied, charged, assessed or imposed separately upon the Mortgaged Property), reduced by the amount, if any, then on deposit with Mortgagee for such purpose, divided by the number of months to elapse before one month prior to the date when such insurance premiums, taxes and assessments will become due and payable. If such Deposits are insufficient to pay any such insurance premiums, taxes or assessments when the same become due and payable, Mortgagor, within 10 days after receipt of demand therefor from Mortgagee, shall deposit such additional funds as may be necessary to pay such insurance premiums in full. If such Deposits exceed the amount required to pay such insurance premiums, taxes or assessments for any year, the excess shall be credited against the next succeeding deposit or deposits to be made by Mortgagor. Such

Deposits need not be kept separate and apart from any other funds of Mortgagee, shall be held without any allowance of interest to Mortgagor and shall be used for the payment of insurance premiums, taxes and assessments on the Mortgaged Property next due and payable when they become due; provided that Mortgagee shall not be liable for any failure to apply such Deposits to the payment of such insurance premiums, taxes and assessments unless Mortgagee shall have received from Mortgagor a request for payment accompanied by the bills for such insurance premiums, taxes and assessments not less than thirty days prior to the date due.

11.2.3 Leases and Rents. Mortgagee may, with or without taking possession of the Mortgaged Property, as attorney and agent-in-fact for Mortgagor constituted and appointed by Mortgagor with full power of substitution (which power is coupled with an interest and is irrevocable), in the name of Mortgagor, Mortgagee, or both:

- (a) demand, collect, settle, adjust, compromise, and enforce, by legal proceedings or otherwise, payment of the Rents, endorse the name of Mortgagor upon any payments or proceeds of the Rents and deposit the same for the account of Mortgagee and do all other acts and things necessary, in Mortgagee's sole discretion, to obtain control and use of the Rents;
- (b) terminate the license granted to Mortgagor hereunder to collect the Rents and thereafter Mortgagee shall have all right, title and interest in and to the Leases and the Rents by virtue of the present assignment thereof granted to Mortgagee hereunder;
- (c) require Mortgagor to deliver to Mortgagee the originals of the Leases, with appropriate endorsement and/or other specific evidence of assignment thereto to Mortgagee, which endorsement and/or assignment shall be in form and substance reasonably acceptable to Mortgagee;
- (d) notify any of the obligors under the Leases that the Leases have been assigned to Mortgagee and direct such obligors thereafter to make all payments due from them under the Leases directly to Mortgagee; and
- (e) require Mortgagor to direct all obligors of the Leases to make all payments due them under the Leases directly to Mortgagee.

Notwithstanding anything in this subsection 11.2.3 to the contrary, under no circumstances shall Mortgagee have any duty to produce Rents from the Mortgaged Property. Regardless of whether or not Mortgagee, in person or by agent, takes actual possession of the Premises and Improvements, Mortgagee is not and shall not be deemed to be (i) a "mortgagee in possession" for any purpose; (ii) responsible for performing any of the obligations of the lessor under any Lease; (iii) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Mortgaged Property, or any negligence

in the management, upkeep, repair or control of the Mortgaged Property, except in the case of gross negligence or wilful misconduct of Mortgagee; or (iv) liable in any manner for the Mortgaged Property or the use, occupancy, enjoyment or operation of all or any part thereof, except in the case of gross negligence or wilful misconduct of Mortgagee.

11.2.4 Appointment of Receiver. Upon application to a court of competent jurisdiction, Mortgagee may appoint a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the Rents, without notice and without regard to the occupancy or value of any security for Mortgagor's Obligations or the solvency of Mortgagor. The receiver shall have all rights and powers necessary or usual for the protection, possession, control, management and operation of the Mortgaged Property during the period of receivership, to the fullest extent permitted by law.

11.2.5 Other Remedies. Mortgagee may exercise any other rights and remedies then available to Mortgagee under this Mortgage, the Note, the other Loan Instruments and any applicable laws.

11.3 Remedies Upon Acceleration. If Mortgagor's Obligations have been accelerated pursuant to Section 11.1, in addition to the Mortgagee's rights under Section 11.2, Mortgagee may exercise any one or more of the following remedies:

11.3.1 Commence Foreclosure Proceedings. Mortgagee may commence a civil action to foreclose the Mortgage Lien for payment of Mortgagor's Obligations, or any part thereof, and obtain an order or judgment of foreclosure and sale of the Mortgaged Property. In any civil action to foreclose the Mortgage Lien or otherwise enforce Mortgagee's rights, there shall be allowed and included as part of Mortgagor's Obligations in the order or judgment for foreclosure and sale (or other order), all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, costs and expenses, appraiser's fees, engineer's fees, out-lays for documentary and expert evidence, receiver's fees, stenographers' charges, publication costs, and costs (which may be estimates as to items to be expended after entry of such order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to the title of the Mortgaged Property as Mortgagee may deem necessary either to prosecute such civil action or to evidence to bidders at any sale which may be had pursuant to such order or judgment the true condition of the title to, or the value of, the Mortgaged Property.

11.3.2 Bid at Foreclosure Sale. Mortgagee may bid for and purchase the Mortgaged Property at any foreclosure sale and apply all or any part of Mortgagor's Obligations as a credit to the purchase price in lieu of paying cash therefor.

11.3.3 Rights Under Uniform Commercial Code. Mortgagee may exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of the State in which the Premises are located with respect to the Collateral. Pursuant to Section

9-501(4) of such Uniform Commercial Code, Mortgagee shall have an option to proceed with respect to both the real property portion of the Mortgaged Property and the Collateral, in accordance with its rights, powers and remedies with respect to the real property, in which event the remedy and enforcement provisions of this Mortgage in lieu of the remedy and enforcement provisions of such Uniform Commercial Code shall apply. Such Section 9-501(4) also permits Mortgagee to proceed separately against the Collateral in accordance with the remedy and enforcement provisions of such Uniform Commercial Code. If Mortgagee shall elect to proceed against the Collateral separately from any proceeding with respect to the real property, Mortgagor agrees that 10 days notice of the sale of the Collateral shall be reasonable notice.

11.3.4 State Statutes. Mortgagee may exercise all rights and remedies under the statutes in the State where the Premises are located, subject to the following:

(a) if any provision in this Mortgage is inconsistent with any applicable statute in the State where the Premises are located, such statute shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with such statute; and

(b) if any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that otherwise would be vested in Mortgagee under such statute in the absence of such provision, Mortgagee shall be vested with the rights granted in such statute to the full extent permitted by law.

Without limiting the generality of the foregoing, all expenses incurred by Mortgagee to the extent reimbursable under such statute, whether incurred before or after any decree or judgment of foreclosure, and whether or not provided for elsewhere in this Mortgage, shall be added to Mortgagor's Obligations or to the judgment of foreclosure, as described more fully in Section 11.4.

11.4 Additions to Mortgagor's Obligations. Upon the occurrence of an Event of Default, there will be added to and included as part of Mortgagor's Obligations (and allowed in any sale or decree for sale of the Mortgaged Property or in any judgment rendered upon this Mortgage, the Note or the other Loan Instruments) all of the costs and expenses incurred by Mortgagee in exercising its rights and remedies under this Mortgage. All of such costs and expenses, including reasonable attorneys' fees, shall (i) be secured by this Mortgage, (ii) be payable upon demand and (iii) bear interest at the Default Rate from the date incurred by Mortgagee until paid.

11.5 Proceedings Discontinued. In case Mortgagee shall have proceeded to enforce any right under this Mortgage by foreclosure, entry or otherwise and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Mortgagee, then, except as otherwise determined in such proceeding, Mortgagor and Mortgagee shall be

restored to their former positions and rights hereunder with respect to the Mortgaged Property, and all rights, remedies, and powers of Mortgagee shall continue as though no such proceedings had been commenced.

11.6 Deficiency.

11.6.1 Sale and Foreclosure. Subject to any express limitations imposed on Mortgagee's rights by applicable law, if the Mortgaged Property (or any part thereof which remains subject to this Mortgage) is sold pursuant to foreclosure proceedings, and if the net proceeds of any such sale are not sufficient to pay all of Mortgagor's Obligations then outstanding and any other amounts provided for in any decree or judgment of foreclosure or provided for by applicable law (the amount of such deficiency and the deficiency described in subsection 11.6.2 hereinafter collectively referred to as the "Balance Owed"), then the Indebtedness evidenced by the Note shall not be satisfied to the extent of the Balance Owed, but such Indebtedness shall continue in existence and shall continue to be evidenced by the Note and shall continue to be secured by all of the other Loan Instruments which were in existence prior to any such decree or judgment of foreclosure, except this Mortgage. Subject to the requirements of applicable law, if Mortgagee shall acquire the Mortgaged Property as a result of any such foreclosure sale (whether by bidding all or any of Mortgagor's Obligations or otherwise), the proceeds of such sale shall not be deemed to include (and Mortgagor shall not be entitled to any benefit or credit on account of) proceeds of any subsequent sale of the Mortgaged Property by Mortgagee.

11.6.2 Foreclosure of Other Loan Instruments. Notwithstanding the provisions of subsection 11.6.1, Mortgagor further agrees that, subject to any express limitations imposed on Mortgagee's rights by applicable law, if any other portion of the Collateral is foreclosed judicially and such Collateral is sold pursuant to foreclosure proceedings, and if the proceeds of such sale (after application of such proceeds as provided for herein and after deducting all accrued and general and special taxes and assessments) are not sufficient to pay Mortgagor's Obligations and any other amounts provided for in the decree or judgment of foreclosure or provided for by applicable law, then Mortgagor's Obligations then outstanding shall not be satisfied to the extent of such Balance Owed, but such Indebtedness shall continue in existence and continue to be evidenced by the Note and shall continue to be secured by this Mortgage and all of the other Loan Instruments, which were in existence immediately prior to any such decree or judgment of foreclosure, except each such Loan Instrument which pertains to the portion of the Collateral which was the subject of any such foreclosure sale.

11.7 Application of Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property or any other proceeds received hereunder shall be applied in accordance with the provisions of Section 8.4 of the Loan Agreement.

ARTICLE XII - RECONVEYANCE

Mortgagee shall release the Mortgaged Property, or such portion thereof as previously shall not have been sold pursuant to the terms of this Mortgage, by proper instrument upon payment and discharge of all of Mortgagor's Obligations.

ARTICLE XIII - SUBORDINATION

13.1 The Mortgage Lien is under, subject and subordinate to the lien granted by Mortgagor in favor of Wilmington Trust Company, as agent ("Agent") pursuant to a certain mortgage by and between Mortgagor and Agent dated February 25, 2000 (as it may be amended, modified, restated or supplemented from time to time, the "First Mortgage"), regardless of the time or order of attachment or the time, order, or manner of perfection or filing. The rights of Mortgagee under this Mortgage and the right of Mortgagee to retain or apply any Mortgaged Property or the proceeds thereof are under and subject to the rights of the Agent under the First Mortgage. Mortgagor, Mortgagee, Agent and certain other parties have entered into a certain Subordination and Intercreditor Agreement dated February 25, 2000 (as it may be amended, modified, restated or supplemented from time to time, the "Subordination and Intercreditor Agreement"). The rights and remedies of Mortgagee under this Mortgage shall be subject to the terms, conditions and covenants of the Subordination and Intercreditor Agreement. In connection with the First Mortgage the Mortgagor and Mortgagee agree as follows:

13.1.1 Mortgagor shall comply in all material respects with each and every one of the terms, covenants, obligations, provisions and conditions of the First Mortgage, unless compliance with such terms, covenants, obligations, provisions or conditions has been waived by Agent or Agent has elected not to enforce such compliance, and all instruments and documents evidencing or securing the indebtedness secured thereby, and shall make all payments required to be made pursuant to the terms of the First Mortgage before the expiration of the applicable grace periods provided in the First Mortgage for such payments. Any failure of Mortgagor to so comply, keep, observe and perform any of such covenants, terms, obligations, conditions and provisions shall constitute an Event of Default under this Mortgage entitling the Mortgagee to all rights and remedies provided herein in the case of other Events of Default hereunder. In the event of a conflict of any of the terms and provisions contained in the First Mortgage with any of the terms and provisions contained herein, the Mortgagor's compliance, observation, keeping and performance of the conflicting terms and provisions of the First Mortgage shall not constitute an Event of Default hereunder and shall be deemed to be full compliance with the conflicting terms hereof.

13.1.2 Mortgagor covenants and agrees that, to the extent Mortgagee pays any sums evidenced or secured by the First Mortgage Note or First Mortgage, the Mortgagee shall become entitled to a lien on the Premises equal in rank and priority to the First Mortgage, and, in addition, to the extent necessary to make effective such rank and priority:

(a) Mortgagee shall become subrogated to, receive and enjoy all of the rights, liens, powers and privileges granted to Agent under the First Mortgage,

(b) the First Mortgage shall remain in existence for the benefit of and to further secure the debt and other sums secured, or that hereafter become secured, hereunder, and

(c) Mortgagee's rights as subrogee shall be subordinate to Agent's rights and may only be enforced after the First Mortgage is satisfied.

13.1.3 Within twenty-four (24) hours, Mortgagor shall furnish to the Mortgagee copies of any default notices it receives from Agent. None of the rights or obligations whether contained herein or in the Note is created for the benefit of Agent, and Agent shall have no right to enforce any obligations or provision contained in this Mortgage or in the Note.

13.1.4 Mortgagee shall, in case Mortgagor shall default in making any required payment when and as due under the First Mortgage beyond any applicable grace periods provided in the First Mortgage, have the right to advance the funds necessary to cure such default, and all funds so advanced by Mortgagor shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice; together with interest thereon, at a rate equal to the Default Rate, as defined in the Note. Mortgagee acknowledges that the holder of the First Mortgage has no obligation to give Mortgagee any notice of or opportunity to cure any defaults under the First Mortgage or to accept any cure of such defaults by Mortgagee.

13.1.5 Mortgagor covenants and agrees that if and when requested by the Mortgagee, if the Mortgagee acquires the First Mortgage, the owner of the Premises shall execute such documents as Mortgagee or the holder of this Mortgage and the Note secured hereby may reasonably require to evidence the unpaid balance owing to Mortgagee or said holder of this Mortgage and said Note. Mortgagor's failure to furnish such statement within ten (10) days of the request therefor shall be deemed and treated as an acknowledgment by Mortgagor that, to Mortgagor's best information and belief, no offsets or defenses exist against Mortgagor's indebtedness under the Note secured hereby and that all regular installment payments thereon and no other payments have been made.

Mortgagee covenants and agrees that if Mortgagee acquires the First Mortgage by assignment from Agent (in lieu of satisfaction) or payment thereof by Mortgagee to said Agent, Mortgagee, on payment to Mortgagee by Mortgagor of the total indebtedness of the Note secured by this Mortgage, will, at Mortgagor's option, execute and deliver to Mortgagor an assignment or satisfaction of such First Mortgage together with an assignment or satisfaction of this Mortgage. All taxes and expenses (including Mortgagee's reasonable attorneys fees) in connection therewith shall be paid by Mortgagor.

13.1.6 Mortgagee does not assume any of Mortgagor's duties and obligations under the First Mortgage.

13.1.7 Notwithstanding anything to the contrary contained in Article VII or VIII herein, in the event of a loss resulting from casualty or destruction of the Premises or in the event of a condemnation, if Agent agrees that the insurance proceeds or award may be used to repair, restore, rebuild or replace the Premises, Mortgagee hereby agrees that said proceeds or condemnation award, as the case may be, may be used for such repairs, restoration, rebuilding or replacement of the Premises.

ARTICLE XIV - MISCELLANEOUS

14.1 Notices. All notices and communications under this Mortgage shall be in writing and shall be (i) delivered in person, or (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or by overnight express carrier, addressed in each case as follows:

To Mortgagor:

Resco Products, Inc.
1302 Conshohocken Road
P.O. Box 108
Norristown, Pennsylvania 19404-0108
Attention: Mr. William Brown
President and CEO
Telecopy No: (610) 279-7313

With a copy to:

Duane Morris & Heckscher LLP
4200 One Liberty Place
Philadelphia, Pennsylvania 19103-7396
Attention: Mr. David Augustin, Esq.

To Mortgagee:

FINOVA Mezzanine Capital Inc.
Suite 200
500 Church Street
Nashville, Tennessee 37219
Attention: Mr. Thomas Pagnani

Copy to:

Alzheimer & Gray
10 South Wacker Drive
Suite 4000
Chicago, Illinois 60606
Attention: Michael L. Owen, Esq.

or to any other address, as to any such party, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this Section 14.1 shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, on the next Business Day immediately following the day sent, or (iii) if sent by registered or certified mail, on the earlier of the fifth Business Day following the day sent or when actually received.

14.2 Covenants Run With Land. All the covenants contained in this Mortgage shall run with the land. Time is of the essence for the performance by Mortgagor of its obligations under this Mortgage.

14.3 Governing Law. This Mortgage shall be construed in accordance with and governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Arizona, except to the extent that it is mandatory that the laws of the state where the Premises are located apply to the creation, priority, perfection and maintenance of the Mortgage Lien and to the enforcement of the remedies of Mortgagee hereunder and any of its successors and assigns.

14.4 Jurisdiction And Venue. Subject to the provisions of any applicable statute in the state where the Premises are located, Mortgagor agrees that all actions or proceedings initiated by Mortgagor and arising directly or indirectly out of the Loan Instruments shall be litigated in the Superior Court of Arizona, Maricopa County Division, or the United States District Court for the District of Arizona or, if Mortgagee initiates such action, in addition to the foregoing courts, any other court in which Mortgagee shall initiate or to which Mortgagee shall remove such action, to the extent such court otherwise has jurisdiction. Mortgagor hereby expressly submits and consents in advance to such jurisdiction in any action or proceeding commenced by Mortgagee in or removed by Mortgagee to any of such courts, and hereby waives personal service of the summons and complaint, or other process or papers issued therein, and agrees that service of such summons and complaint or other process or papers may be made by registered or certified mail addressed to Mortgagor at the address to which notices are to be sent pursuant to Section 14.1 above. Mortgagor waives any claim that Phoenix, Arizona, Maricopa County, Arizona or the District of Arizona is an inconvenient forum or an improper forum based on lack of venue. Should Mortgagor, after being so served, fail to appear or answer to any summons, complaint, process or papers so served within the number of days prescribed by law after the mailing thereof, Mortgagor shall be deemed in default and an order and/or judgment may be entered by Mortgagee against Mortgagor as demanded or prayed for in such summons, complaint, process or papers. The exclusive choice of forum for Mortgagor set forth in this Section 14.4 shall not be deemed to preclude the enforcement, by Mortgagee, of any judgment obtained in any other forum or the taking, by Mortgagee, of any action to enforce the same in any other appropriate jurisdiction and Mortgagor hereby waives the right to attack any such judgment or action collaterally.

14.5 Waiver of Jury Trial. Mortgagor acknowledges and agrees that (i) any controversy which may arise under this Mortgage or with respect to the transactions

contemplated hereunder would be based on difficult and complex issues and (ii) any court proceeding arising out of any such controversy will be tried in a court of competent jurisdiction by a judge sitting without a jury.

14.6 Successors and Assigns. This Mortgage will be binding upon and inure to the benefit of the successors and assigns of each of Mortgagor and Mortgagee.

14.7 Severability. In the event that any provision of this Mortgage is deemed to be invalid by reason of the operation of any law, including, but not limited to, any of the rules, regulations or policies of or by reason of the interpretation placed thereon by any court or any other Governmental Body, as applicable, the validity, legality and enforceability of the remaining terms and provisions of this Mortgage shall not in any way be affected or impaired thereby, all of which shall remain in full force and effect, and the affected term or provision shall be modified to the minimum extent permitted by law so as to achieve most fully the intention of this Mortgage.

14.8 Remedies Cumulative. All rights and remedies of Mortgagee under this Mortgage and any of the other Loan Instruments are cumulative and concurrent and may be exercised singularly, successively or concurrently and Mortgagee shall have all rights, remedies and recourse available at law or equity.

14.9 Subrogation. To the extent that any of Mortgagor's Obligations represent funds utilized to satisfy any outstanding Indebtedness secured by Liens against all or any part of the Mortgaged Property, to the extent permitted thereby and by applicable law, Mortgagee shall be subrogated to any and all Liens owned or claimed by the holder of any such outstanding Indebtedness so satisfied, regardless of whether such Liens are assigned to Mortgagee or released by the holder(s) thereof.

14.10 Indemnification. Mortgagor will save and hold Mortgagee harmless of and from any and all damage, loss, cost and expense, including, but not limited to, reasonable attorneys' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with any suit or proceeding threatened, filed and/or pending brought by anyone other than Mortgagee, in or to which Mortgagee is or may become a party by reason of or arising from Mortgagor's Obligations, this Mortgage or the other Loan Instruments, except to the extent such damage, loss, cost or expense was caused solely by the gross negligence or wilful misconduct of Mortgagee.

14.11 Conflicts. In the event of any conflict or inconsistency between the terms of this Mortgage and the terms of the Loan Agreement, the terms of the Loan Agreement shall prevail.

14.12 No Partner, Joint Venturer. Mortgagor and Mortgagee agree that in no event shall Mortgagee be deemed to be a partner or a joint venturer with Mortgagor. Without limiting the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of Mortgagor's Obligations.

14.13 Waivers. Mortgagor, on behalf of itself, its successors and assigns, to the extent permitted by law, hereby (i) waives any and all rights of appraisal, valuation, stay, extension and (to the extent permitted by law) redemption from sale under any order or decree of foreclosure of this Mortgage, (ii) waives any equitable, statutory or other right available to it, pertaining to marshalling of assets hereunder, so as to require the separate sales of interests in the Mortgaged Property before proceeding against any other interest in the Mortgaged Property, (iii) consents to and authorizes, at the option of Mortgagee, the sale, either separately or together, of any and all interests in the Mortgaged Property, (iv) agrees that in no event shall Mortgagee be required to allocate any proceeds received by Mortgagee from foreclosure sale or otherwise, to any particular interest in the Mortgaged Property and (v) agrees that when a sale is consummated under any decree of foreclosure of this Mortgage, upon confirmation of such sale, the master in chancery, the sheriff or other Person making such sale, or his successor in office, shall be and is authorized immediately to execute and deliver to the purchaser at such sale a deed conveying the Mortgaged Property, showing the amount paid therefor, or if purchased by the Person in whose favor the order or decree is entered, the amount of his bid therefor.

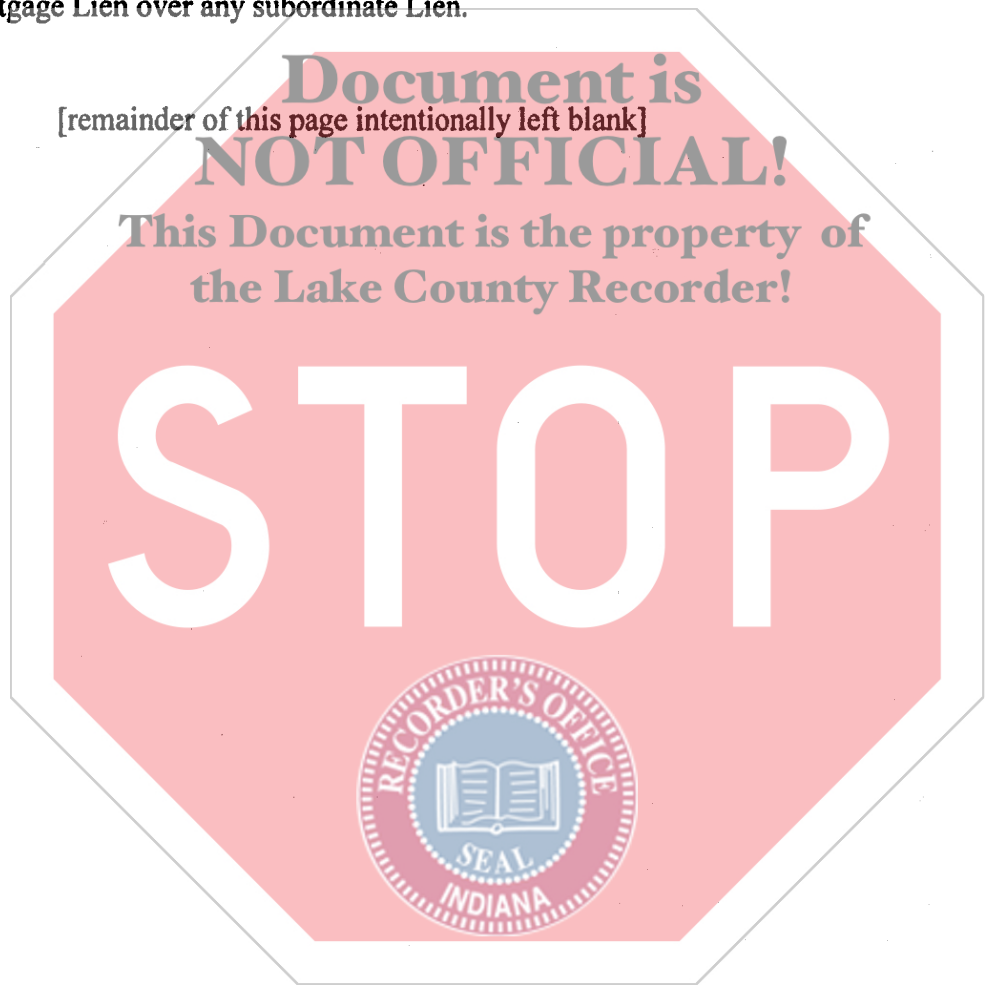
14.14 Remedies Not Exclusive. No right or remedy of Mortgagee hereunder is exclusive of any other right or remedy hereunder or now or hereafter existing at law or in equity or under the Note or the other Loan Instruments, but is cumulative and in addition thereto and Mortgagee may recover judgment thereon, issue execution therefor, and resort to every other right or remedy available at law or in equity or under the Note or the other Loan Instruments, without first exhausting or affecting or impairing the security or any right or remedy afforded this Mortgage. No delay in exercising, or omission to exercise, any such right or remedy will impair any such right or remedy or will be construed to be a waiver of any default by Mortgagor hereunder, or acquiescence therein, and such waiver will not affect any subsequent default hereunder by Mortgagor of the same or different nature. Every such right or remedy may be exercised independently or concurrently, and when and so often as may be deemed expedient by Mortgagee. No term or condition contained in this Mortgage may be waived, altered or changed except as evidenced in writing signed by Mortgagor and Mortgagee.

14.15 No Waiver by Mortgagee. Any failure of Mortgagee to insist upon the strict performance by Mortgagor of any of the terms and provisions of this Mortgage shall not be deemed to be a waiver of any such terms and provisions, and Mortgagee, notwithstanding any such failure, shall have the right at any time thereafter to insist upon the strict performance by Mortgagor of any and all of the terms and provisions hereof.

14.16 No Release. Except as may be provided otherwise by applicable law, neither Mortgagor, nor any other Person now or hereafter obligated for the payment of the whole or any part of Mortgagor's Obligations, shall be relieved of such obligation by reason of (i) the sale, conveyance or other transfer of the Mortgaged Property, (ii) the failure of Mortgagee to comply with any request of Mortgagor, or of any other Person, to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage, the Note or the other Loan Instruments, (iii) the release, regardless of consideration, of the whole or any part of the Collateral, or (iv) any agreement or stipulation between any subsequent owner of the Mortgaged Property and Mortgagee extending the

time of payment under or modifying the terms of the Note, the other Loan Instruments or this Mortgage without first having obtained the consent of Mortgagor or such other Person. If Mortgagee shall enter into any agreement described in clause (iv) hereof, then, notwithstanding any such agreement, Mortgagor and all such other Persons shall continue to be liable on account of Mortgagor's Obligations and shall continue to make such payments according to the terms of any such agreement of extension or modification unless expressly released and discharged in writing by Mortgagee.

14.17 Release of Security. Mortgagee, without notice, may release, regardless of consideration, any part of the Collateral, without impairing or affecting the Mortgage Lien of or the priority of such Mortgage Lien over any subordinate Lien.



IN WITNESS WHEREOF, this Mortgage, Assignment of Leases and Rents, and Security Agreement has been duly executed by Mortgagor by its duly authorized representative as of the day and year first above written.

RESCO PRODUCTS, INC.,
a Pennsylvania corporation

By: William K. Brown
Name: William K. Brown
Title: President

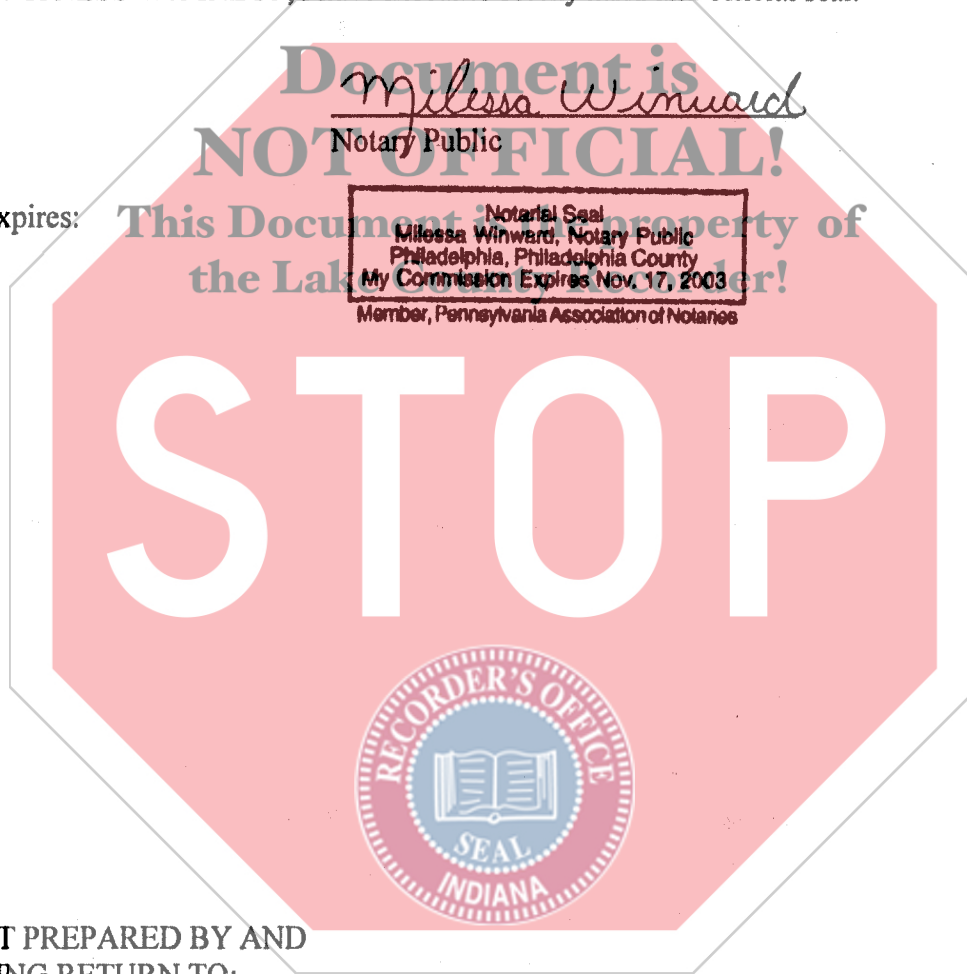


COMMONWEALTH OF PENNSYLVANIA :
: SS
COUNTY OF PHILADELPHIA :

On the 25th day of February, 2000, before me, a Notary Public in and for the State and County aforesaid, personally appeared William K. Brown, who acknowledged her/himself to be the President of **RESCO PRODUCTS, INC.**, a Pennsylvania corporation, and that she/he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by her/himself as such officer.

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

My Commission expires:



THIS DOCUMENT PREPARED BY AND
AFTER RECORDING RETURN TO:

Michael L. Owen, Esq.
Alzheimer & Gray
10 South Wacker Drive
Suite 4000
Chicago, Illinois 60606

EXHIBIT A

LEGAL DESCRIPTION

[See Attached]



PH3640791.4

Mortgage

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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.

