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MORRIS W. CARTER
COLLATERAL ASSIGNMENT OF LEASE

THIS COLLATERAL ASSIGNMENT OF LEASE (this "Assignment") is made as of this 11th day of May, 2000 by CHEMCOATERS, LLC, an Indiana limited liability company ("Assignor"), to CIB BANK, an Illinois banking corporation ("Assignee").

RECITALS

A. Assignee has entered into a certain lease with Chase Land, L.L.C., an Indiana limited liability company ("Landlord") dated May 3, 2000 ("Lease") with respect to the real property legally described on Exhibit A attached hereto and made a part hereof ("Leased Premises").

B. Pursuant to and upon the terms and conditions set forth in the Letter of Credit and Reimbursement Agreement by and between Assignor and Assignee dated as of May 11, 2000 (as from time to time further amended, modified, restated, supplemented and in effect, the "Credit Agreement"), Assignee has agreed to issue a Letter of Credit for the account of the Assignor (all capitalized terms used in this Assignment without definition shall have the meanings ascribed to them in the Credit Agreement).

C. In order to induce Assignee to issue the Letter of Credit and in consideration therefor, Assignee has agreed to assign to Assignee, all of Assignee's right, title and interest in and to the Lease and the Leased Premises, in order to secure (i) the due and punctual payment of (A) all obligations and Liabilities owed by the Borrower to the Bank (including interest accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in the proceeding) pursuant to the Credit Agreement, when and as due, whether at maturity, by acceleration, upon one or more dates set for prepayment or otherwise, and (B) all other monetary obligations, including but not limited to, fees, costs, expenses and indemnities, whether primary, secondary, direct, contingent, fixed or otherwise (including monetary obligations incurred during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding regardless of whether allowed or allowable in the proceeding), of the Borrower under the Credit Agreement, the Note and the Related Documents (collectively, the "Transaction Documents"), and (ii) the due and punctual performance of all covenants, agreements, obligations and liabilities of the Borrower under or pursuant to the Transaction Documents (collectively, the "Obligations").

D. It is a condition precedent to the issuance of the Letter of Credit by the Bank that the Borrower execute and deliver this Assignment.

NOW, THEREFORE, for and in consideration of the covenants and provisions set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. **Assignment.** Assignor, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby grants, transfers, sets over and assigns to Assignee all of Assignee's right, title and interest in and to the Lease and the Leased Premises, including any amendments, modifications, renewals or extensions of the Lease and any options contained therein, together with (i) any license, easement or other right accruing to Assignee as the holder of the leasehold estate under the Lease (including, without limitation, the right to use certain water treatment facilities located on property owned by Chase Street Industrial Center, L.L.C. and operated by Chicago Steel, L.P., whether now existing or hereafter

acquired), (ii) all guaranties of any covenants, agreements and obligations of the Landlord, and all sums which may be now or hereafter due in connection with any such guaranties, (iii) all indemnities for the benefit of the tenant under the Lease, and (iv) all of Assignee's rights to the return of any security and other deposits made or to be made under or in connection with the Lease; it being the intention hereby to establish an absolute transfer and assignment to Assignee of the Lease. This Assignment is given to secure the Obligations.

2. Representations and Warranties. Assignor represents and warrants to Assignee that:

(a) This Assignment, as executed by Assignor, constitutes the legal and binding obligation of Assignor enforceable in accordance with its terms and provisions;

(b) Assignor has not heretofore made any other assignment of its entire or any part of its interest in and to the Lease; and

(c) Assignor has not heretofore executed any instrument or performed any act which may or might prevent Assignee from operating under any of the terms and provisions hereof or which would limit Assignee in such operation.

3. Covenants of Assignor. Assignor covenants and agrees that:

(a) Assignor shall observe and perform all of the covenants, terms, obligations, conditions and agreements contained in the Lease to be observed or performed by the tenant thereunder;

(b) If Assignor defaults under the Lease, Assignee shall have the right (but not the obligation) to cure such default in accordance with the rights provided Assignee under that certain Landlord Consent and Agreement of even date herewith executed by Landlord in favor of Assignee. Any and all advances, payments, expenses, fees or costs paid or incurred by Assignee in connection with the cure of any such default, together with interest thereon at the default rate set forth in the Transaction Documents ("Default Rate"), shall be paid by Assignor to Assignee immediately upon demand therefor;

(c) Assignor shall not, without the prior written consent of Assignee, make any other assignment of all or any part of its interest in, to or under the Lease, except in favor of Assignee;

(d) Assignor shall not, without the prior written consent of Assignee, (i) alter, modify or change the terms and provisions of the Lease, or (ii) cancel or terminate the Lease;

(e) Assignor shall not, without the prior written consent of Assignee, convey or transfer, or suffer or permit a conveyance or transfer of, any portion of the Leased Premises, or any interest in the Lease;

(f) Assignor shall, at its sole cost and expense, appear in and defend any and all actions and proceedings arising under, relating to or in any manner connected with the Lease or the obligations, duties or liabilities of the tenant thereunder, and shall pay all costs and expenses of Assignee, including but not limited to attorneys' fees and expenses, in any such action or proceeding in which Assignee may appear; and

(g) Assignor shall promptly notify Assignee of any notice received from Landlord with respect to any claimed default on the part of Assignor under the Lease.

4. **Present Assignment.** Although it is the intention of the parties that the assignment contained herein is a present assignment, so long as Assignor is not in default hereunder Assignor shall have the right to occupy and possess the Leased Premises.

5. **Events of Default.** Each of the following shall constitute an "Event of Default" for purposes of this Assignment:

(a) The existence of any material inaccuracy or untruth in any representation, covenant or warranty contained in this Assignment or any other Transaction Document, or in any statement or certification as to facts delivered to Assignee.

(b) Failure of Assignor to pay when due any sums payable pursuant to any Transaction Document.

(c) Failure of Assignor to perform or observe any other condition, covenant, term, agreement or provision required to be performed or observed by such person or entity under this Assignment or the other Transaction Documents that continues beyond the applicable notice, cure or grace period, if any.

6. **Rights and Remedies Upon Default.** At any time upon or following the occurrence of any Event of Default hereunder, Assignee, at its option and without any obligation to do so, without in any way waiving such Event of Default, without notice or demand on Assignor, without regard to the adequacy of the security for the obligations secured hereby, without releasing Assignor or any guarantor of the Obligations under any Transaction Documents, and with or without bringing any action or proceeding, may do any or all of the following:

(a) Enter upon and take possession of the Leased Premises, either in person or by agent or by a receiver appointed by a court, and as attorney-in-fact for Assignor, either in Assignee's own name or as agent for Assignor, have, hold, manage, control, lease and operate the same on such terms and for such period of time as Assignee may deem necessary or proper in its sole discretion, with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as may seem proper to Assignee in its sole discretion, and to do any other act which Assignee deems necessary or proper in its sole discretion; and Assignor hereby appoints Assignee, effective upon an Event of Default, its true and lawful attorney-in-fact, in its name or stead, with full power of substitution, with or without taking possession of the Property, to act pursuant to this Paragraph 6, which power of attorney is coupled with an interest and is irrevocable;

(b) Make any payment or do any act required herein of Assignor, as attorney-in-fact, either in Assignee's own name or as agent for Assignor, and in such manner and to such extent as Assignee may deem necessary in its sole discretion, and any amount so paid by Assignee shall become immediately due and payable by Assignor with interest thereon until paid at the Default Rate and shall be secured by this Assignment.

7. **Limitation of Assignee's Liability.** Assignee shall not be liable for any loss sustained by Assignor resulting from any act or omission of Assignee in managing, operating or maintaining the Leased Premises following the occurrence of any one or more Events of Default. Assignee shall not be obligated to observe, perform or discharge, nor does Assignee hereby undertake to observe, perform or discharge, any covenant, term, condition or agreement contained in any Lease to be observed or performed by the tenant thereunder, or any obligation, duty or liability of Assignor under or by reason of this Assignment, and Assignor shall and does hereby agree to indemnify and hold Assignee harmless of and from any and all liability, loss or damage which Assignee may or might incur under the Lease or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which

may be asserted against Assignee by reason of any alleged obligation or undertaking on its part to observe or perform any of the covenants, terms, conditions and agreements contained in the Lease. Should Assignee incur any such liability, loss or damage under the Lease or under or by reason of this Assignment, or in the defense of any such claim or demand, the amount thereof, including costs, expenses and attorneys' fees and expenses, shall become immediately due and payable by Assignor to Assignee with interest thereon at the Default Rate and shall be secured by this Assignment. This Assignment shall not operate to place responsibility for the care, control, management or repair of the Leased Premises or for the carrying out of any of the covenants, terms, conditions and agreements contained in the Lease upon Assignee, nor shall it operate to make Assignee responsible or liable for any dangerous or defective condition of the Leased Premises, or for any negligence in the management, upkeep, repair or control of the Leased Premises resulting in loss or injury or death to any tenant, occupant, licensee, employee or stranger. In the exercise of the powers and rights herein granted to Assignee, no liability shall be asserted against Assignee, all such liability being expressly waived and released by Assignor on behalf of itself and its affiliates, successors and assigns.

8. Non-Waiver. Nothing contained in this Assignment and no act done or omitted to be done by Assignee pursuant to the rights and powers granted to it hereunder shall be deemed to be a waiver by Assignee of its rights and remedies under any of the Transaction Documents. This Assignment is made and accepted without prejudice to any of the rights and remedies of Assignee under the terms and provisions of the Transaction Documents and Assignee may exercise any of its rights and remedies under the terms and provisions of such instruments either prior to, simultaneously with or subsequent to any action taken by it hereunder. Without limitation of the foregoing, Assignee may take or release any other security for the performance of the obligations secured hereby, may release any party primarily or secondarily liable therefor, and may apply any other security held by it for the satisfaction of the obligations secured hereby without prejudice to any of its rights and powers hereunder.

9. Further Assurances. Assignor shall execute or cause to be executed such additional instruments and shall do or cause to be done such further acts, as Assignee may reasonably request, in order to permit Assignee to perfect, protect, preserve and maintain the assignment made to Assignee by this Assignment.

10. Severability. Any provision hereof prohibited or invalid under applicable law shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the other provisions hereof.

11. Successors and Assigns. This Assignment is binding upon Assignor, its successors and assigns, and the rights, powers and remedies of Assignee under this Assignment shall inure to the benefit of Assignee and its successors and assigns.

12. Written Modifications Only. This Assignment may not be waived, amended, modified, changed or terminated except pursuant to an agreement in writing entered into by Assignor and Assignee.

13. Notices. Any notice hereunder shall be conclusively deemed to have been received by a party hereto and be effective in the manner set forth in the Credit Agreement.

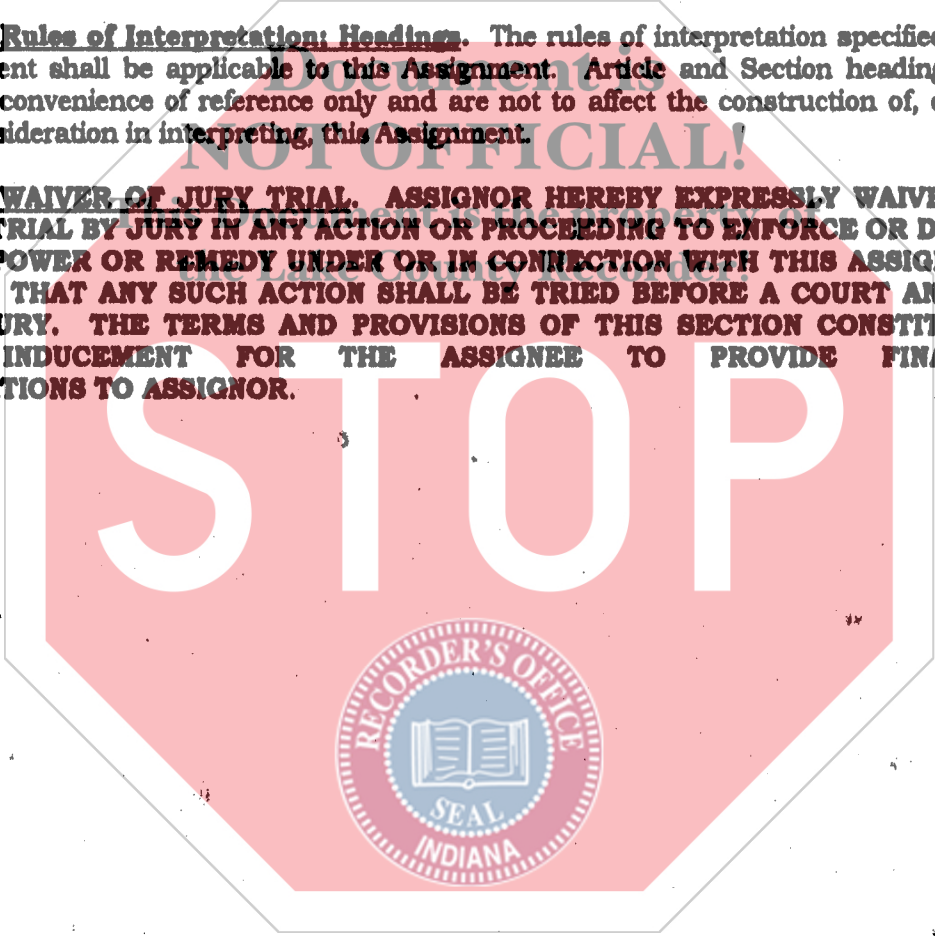
14. Duration. This Assignment and grant shall continue in effect until all of the Obligations of Assignor are fully performed, satisfied and repaid.

15. Conflicts. In case of any apparent conflict or inconsistency between any provision of this Assignment and any provision of the Credit Agreement, the provisions of the Credit Agreement shall prevail, govern and control to the extent of such conflict or inconsistency.

16. APPLICABLE LAW: JURISDICTION. THIS ASSIGNMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF ILLINOIS, WITHOUT GIVING EFFECT TO ILLINOIS CHOICE OF LAW DOCTRINE, EXCEPT TO THE EXTENT THAT THE PERFECTION OF THE SECURITY INTEREST HEREUNDER, OR REMEDIES HEREUNDER, IS GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF ILLINOIS. EACH PARTY HERETO HEREBY EXPRESSLY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE STATE AND FEDERAL COURTS SITTING IN CHICAGO, ILLINOIS FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS ASSIGNMENT. EACH PARTY HERETO HEREBY EXPRESSLY WAIVES ANY OBJECTION TO THE LAYING OF VENUE AND THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF THE LEGAL PROCEEDINGS IN ANY SUCH COURT.

17. Rules of Interpretation: Headings. The rules of interpretation specified in the Credit Agreement shall be applicable to this Assignment. Article and Section headings used herein are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Assignment.

18. WAIVER OF JURY TRIAL. ASSIGNOR HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHT, POWER OR REMEDY UNDER OR IN CONNECTION WITH THIS ASSIGNMENT AND AGREES THAT ANY SUCH ACTION SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE TERMS AND PROVISIONS OF THIS SECTION CONSTITUTE A MATERIAL INDUCEMENT FOR THE ASSIGNEE TO PROVIDE FINANCIAL ACCOMMODATIONS TO ASSIGNOR.



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

CHEMCOATERS, LLC

By: *David K. Manawke*
Name: DAVID K. MANAWKE
Title: President



STATE OF ILLINOIS
COUNTY OF COOK) SS

I, TERESA A. QUINLAN, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that BRUCE K. MANNARS, the PRESIDENT of Chemcoaters, LLC, an Indiana limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such PRESIDENT, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of the company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 11th day of May, 2000.

NOT OFFICIAL!

Teresa A. Quinlan

NOTARY PUBLIC

This Document is the property of
the Lake County Recorder! (SEAL)

STOP

My Commission

OFFICIAL SEAL
TERESA A. QUINLAN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 11-16-2001



EXHIBIT A

LEGAL DESCRIPTION

PART OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 36 NORTH, RANGE 8 WEST OF THE SECOND PRINCIPAL MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER, OF THE SOUTHEAST QUARTER OF SAID SECTION 6; THENCE NORTH 00 DEGREES 12 MINUTES 35 SECONDS EAST, ALONG THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 6, A DISTANCE OF 604.02 FEET; THENCE SOUTH 89 DEGREES 47 MINUTES 25 SECONDS EAST, A DISTANCE OF 43.02 FEET, TO THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 12 MINUTES 35 SECONDS EAST, PARALLEL TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 6, A DISTANCE OF 770.04 FEET; THENCE SOUTH 89 DEGREES 12 MINUTES 34 SECONDS EAST, PARALLEL TO THE SOUTH LINE OF SAID SECTION 6, A DISTANCE OF 792.00 FEET; THENCE SOUTH 00 DEGREES 12 MINUTES 35 SECONDS WEST, PARALLEL TO THE WEST LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 6, A DISTANCE OF 770.04 FEET; THENCE NORTH 89 DEGREES 12 MINUTES 34 SECONDS WEST, PARALLEL TO THE SOUTH LINE OF SAID SECTION 6, A DISTANCE OF 792.00 FEET, TO THE POINT OF BEGINNING, CONTAINING 14.00 ACRES MORE OR LESS, ALL IN THE CITY OF GARY, LAKE COUNTY, INDIANA.

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