

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made as of the 31st day of August 2004, by SARGENT ELECTRIC COMPANY, a Pennsylvania corporation (the "Assignor") in favor of NATIONAL CITY BANK OF PENNSYLVANIA, a national banking association ("Lender" or the "Assignee").

RECITALS:

A. Assignor owns certain property located in Lake County, Indiana, more and particularly described on Exhibit A attached hereto and made a part hereof (said real property together with any real property hereafter encumbered by the lien of the Mortgage, as defined below, being herein collectively called the "Land" and the Land together with all improvements now or hereafter located on the Land, being herein collectively or by individual parcel, as the context may require, called the "Property");

B. Assignor and the Assignee entered into a certain Credit Agreement (as has been and may be amended, supplemented, replaced or otherwise modified, the "Credit Agreement" dated as of May 27, 1999, pursuant to which the Assignee has made a credit facility or facilities available to the Assignor in a principal amount not to exceed \$8,500,000, as reduced to \$7,500,000, outstanding at any time;

C. Assignor has triggered several Events of Default which include but are not limited to, those Events of Default set forth in the letter of June 27, 2003 from Assignee (Lori B. Shure) to the Assignor (accepted by John D. Sargent, President, on behalf of Assignor) (the "Existing Defaults");

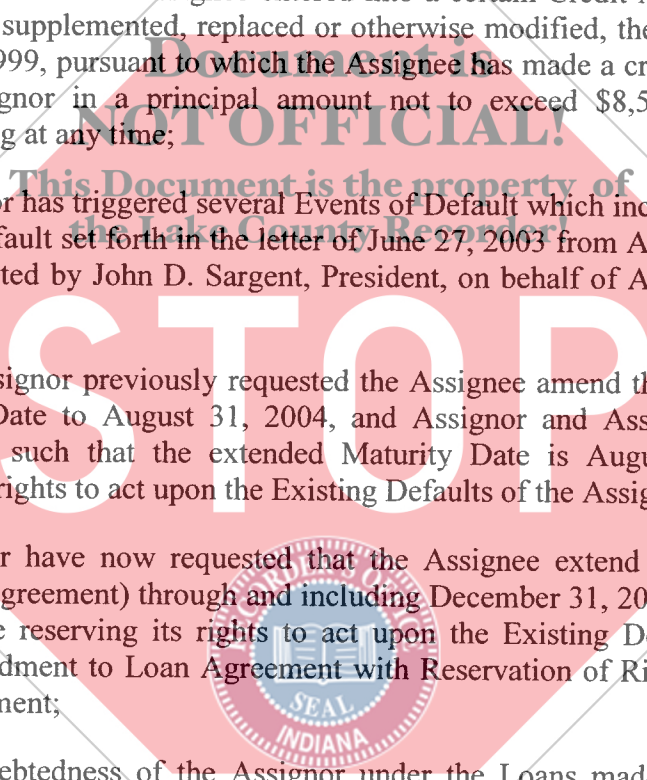
D. The Assignor previously requested the Assignee amend the Credit Agreement to extend the Maturity Date to August 31, 2004, and Assignor and Assignee entered into the requested amendment such that the extended Maturity Date is August 31, 2004 with the Assignee reserving its rights to act upon the Existing Defaults of the Assignor;

E. Assignor have now requested that the Assignee extend the Maturity Date (as defined in the Credit Agreement) through and including December 31, 2004, and the Assignee is willing to do so while reserving its rights to act upon the Existing Defaults of Assignor by entering into an Amendment to Loan Agreement with Reservation of Rights dated on or about the date of this Assignment;

F. The indebtedness of the Assignor under the Loans made by Assignee to it is evidenced by those certain "Notes" (as defined in the Credit Agreement) of Assignor in favor of Assignee;

2004-084116

STATE OF INDIANA
LAKE COUNTY
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B./more Abstract

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G. The obligations of Assignor to repay the Loans made by Assignee to it are secured by, among other things, a certain Mortgage, dated October 27, 1997, in favor of Assignee, which was recorded on November 21, 1997 with the Recorder of Deeds of Lake County, Indiana, Mortgage Number 97080068, covering the Property (as amended and modified the "Mortgage");

H. Assignor has agreed to assign all of Assignor's rights under the leases demising all or a portion of the Property and all of the rents, issues and profits therefrom, on the terms and conditions herein set forth as additional security for the performance of Assignor's obligations under the Notes, the Mortgage, (and any increases, extensions and/or modifications thereof) and any other Debt (as defined below).

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, Assignor agrees as follows:

1. Assignment of Leases and Rents. Assignor hereby bargains, sells, sets over, assigns and transfers to Assignee absolutely all of Assignor's rights, interest, and privileges in all leases, whether written or oral, and any agreements for the use or occupancy, now or hereafter in existence with respect to the Property or any part thereof, together with any extensions or renewals of any such leases and agreements for use or occupancy (collectively referred to as the "Leases"). This assignment includes:

(i) all rents, income, profits and deposits, including, but not limited to, accounts receivable, parking (to the extent Assignor receives parking rents exclusively for its own account), maintenance, tax and insurance contributions, percentage rents, minimum rents, security deposits, any damages or awards following suit or arbitration, damages following default, capital reserve funds and any other sums or revenues, whether before or after foreclosure or during the full period of redemption, now or in the future due under or arising out of the Leases, the Property or some or any of them;

(ii) any sums to which Assignor may become entitled in any court proceeding involving the bankruptcy, insolvency or reorganization of any tenants under the Leases;

(iii) any payments made by tenants in lieu of rent under the Leases;

(iv) any guaranties of any rents, income and profits due or to become due under the Leases;

(v) any proceeds payable under any policy of insurance covering loss of rents under any lease for any cause; and

(vi) all proceeds of, and rights of Assignor in connection with, any condemnation proceeding, exercise of the right of eminent domain, sale in lieu of condemnation or eminent domain or alteration of grade of any street affecting the Property or any portion thereof (collectively, the “Rents”).

2. Absolute Nature of Assignment.

(a) For the purpose aforesaid, the Assignor does hereby appoint the Assignee its exclusive attorney-in-fact, irrevocably in its name, place and stead, to appear in any action and/or to receive, collect and receipt for all Rents. The foregoing assignment of Rents and Leases is intended by Assignor and Assignee to create and shall be construed to create an absolute, unconditional and presently effective assignment to Assignee of all of Assignor's right, title and interest in such Rents and Leases and shall not be deemed to create merely a security interest therein for the payment of any indebtedness or the performance of any obligations of Assignor evidenced by the Notes and secured by, inter alia, the Mortgage. All Rents paid or payable under any and all Leases shall constitute property of Assignee, provided, however that only such amounts as are applied to debt service in connection with the Credit Agreement shall be deemed as payments against the Loan Documents (as defined in the Credit Agreement). Assignor and Assignee further agree that, except as provided in the following subparagraph, during the term of the Credit Agreement, such Rents and Leases shall not constitute property of Assignor (or of any estate of Assignor) within the meaning of Section 541 of the United States Bankruptcy Code (11 U.S.C. § 541), as amended from time to time.

(b) Without limitation of the foregoing, this Assignment is given for the purpose of, inter alia, securing performance by Assignor of all Debt and, accordingly, upon payment in full of all indebtedness evidenced by the Credit Agreement and the Notes and all other Debt, and discharge of all of Assignor's other obligations under the Credit Agreement, the Notes, this Assignment and the other Loan Documents and all other Debt, and the termination of all obligations, duties and commitments of the Assignee under the Credit Agreement, the Notes, and the other Loan Documents (all of the foregoing conditions sometimes referred to as the “Terminating Conditions”), as evidenced by the recording of an instrument of satisfaction of the Mortgage (without the recording of another mortgage in favor of Assignee affecting the Property), this Assignment shall automatically become null and void.

(c) So long as no Event of Default (as defined under the Credit Agreement or any of the other Loan Documents) has occurred and Assignor is not in default, after the giving of any required notice and the expiration of any applicable cure periods, in any respect under this Assignment or any of the other Loan Documents, Assignor shall have a license to collect all Rents and to retain, use and enjoy the same; provided, Assignor agrees that it will not under any circumstances collect or accept any Rent more than 30 days prior to accrual.

(d) For purposes of this Assignment, “Debt” means collectively:

(i) all indebtedness (primary, secondary, as guarantor or surety, contingent, sole, joint and/or several) whether of principal, interest, fees, expenses or otherwise of Assignor to Assignee, or their respective affiliates, now existing or hereafter incurred in connection with or pursuant to the Credit Agreement, the Notes, this Assignment, the Mortgage, any letters of credit, equipment lease or guarantee, under any interest or currency swap, future, option or other interest rate protection or similar agreement or any other Loan Document, as may from time to time be amended, together with any and all extensions, renewals, refinancings or refundings thereof in whole or in part, or in any other manner, including but not limited to future advances, of any kind or nature (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Assignor, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding);

(ii) all other obligations of the Assignor under the Credit Agreement, the Notes, the Mortgage, this Assignment and the other Loan Documents; and

(iii) all costs and expenses, including without limitation, to the extent permitted by law, reasonable attorneys' fees and paralegals' fees and expenses, actually incurred by Assignee in the documentation, negotiation, modification, enforcement, collection or otherwise in connection with any of the foregoing and/or in the collection of any of the indebtedness referred to above, and amounts due and owing to Assignee for the maintenance, preservation, protection or enforcement of, or realization upon, any property or assets now or hereafter made subject to a mortgage, pledge, lien or security interest granted pursuant to this Assignment, the Credit Agreement, the other Loan Documents, or pursuant to any other agreement, instrument or note relating to any of the Debt, including without limitation advances for taxes, insurance, repairs and the like.

3. Assignor's Obligations. Assignor agrees that it will perform all of its obligations under the Leases. Assignor will appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with any Lease or the obligations, duties, or liabilities of Assignor or any tenant thereunder. Assignor will not enter into any Leases, terminate the Leases, or some or any of them, or accept surrender of possession of any premises covered by a Lease, or modify any material term of any Lease, or release any tenant or any guarantor or surety of any tenant's obligations without the prior written consent of Assignee.

4. Cross Default. Any default by Assignor after the giving of any required notice and after the expiration of any applicable time period under the Credit Agreement, the Notes, the Mortgage or any other Loan Document shall be considered a default under this Assignment, and any default under this Assignment shall be considered a default under the Notes, the Credit Agreement, the Mortgage, and the other Loan Documents, and in any such event, Assignee shall be entitled to exercise all or some or any of its remedies under the Notes,

the Mortgage, this Assignment, and the other Loan Documents, or as may otherwise be available to Assignee at law or in equity, in such order as Assignee may elect.

5. Assignee Not Bound to Perform Under Leases. Notwithstanding any legal presumption to the contrary, Assignee, prior to taking possession of the Property, shall not be obligated by reason of acceptance of this Assignment and/or collection of the Rents to perform any obligation of Assignor as landlord under the Leases, or any of them, including, but not limited to, Assignor's obligation to enforce collection of Rents due under such Leases, and Assignor hereby agrees to indemnify Assignee and save it harmless from and against any loss, liability or damage arising from any claim by any tenant or any other party arising under or in connection with the Leases, or any of them, or this Assignment unless such loss or liability is caused by Assignee's own gross negligence or willful misconduct. Assignor shall be solely responsible for determining any delinquencies in the payment of Rent and for taking such action as may be necessary to remedy such delinquencies or to otherwise enforce any Lease. However, Assignee may, at its option, and without releasing Assignor from any obligation hereunder, discharge any obligation which Assignor fails to discharge (provided, however, unless Assignee believes that failure to take immediate action will materially impair Assignee's lien or the value of the interest of Assignee in the Property, Leases or Rents, in which case Assignee may take immediate action, Assignee will provide Assignor notice at least 10 days prior to taking any action and provide Assignor with an opportunity to take any such action directly), including without limitation, defending any legal action, and Assignor agrees to pay immediately upon demand all sums expended by Assignee in connection therewith, including reasonable counsel fees actually incurred, together with interest thereon at the default rate of interest provided for in the Credit Agreement accruing from the date of advance of such sums by Assignee, and the same shall be added to the indebtedness evidenced by the Notes and secured by the Mortgage, this Assignment and the other Loan Documents.

6. Warranties of Assignor. Assignor hereby represents, warrants and covenants to Assignee as a material inducement to Assignee to accept this Assignment, that:

(a) Except for the Original Assignment, Assignor has not executed any prior assignment and will not execute any other assignment of any of its rights under the Leases, the Rents or some or any of them;

(b) Assignor has not done, nor will it do, anything which might prevent Assignee from or limit Assignee in operating under any of the provisions hereof, including, but not limited to, Assignee's collection of Rents under any of the Leases;

(c) Except as provided in Schedule 6.(c) to this Assignment, to the extent of Assignor's knowledge and belief, there is no present default by any tenant under any Lease; and

(d) Assignor has not received any Rent under any of the Leases more than 30 days prior to accrual.

7. Possession.

(a) Effective immediately upon Assignor's default after the giving of any required notice and after the expiration of any applicable cure period under the Credit Agreement, the Mortgage or any other Loan Document or this Assignment, Assignor authorizes Assignee, at its option, to lawfully enter and take possession of the Property, or any part thereof; to manage and operate the same; to continue to collect Rents; to let or re-let the Property or any part thereof; to cancel and modify Leases; to evict tenants and operate the Property under franchise or licensing agreements assigned to Assignee by such tenants; to bring or defend any suits in connection with possession of the Property in its own name or in Assignor's name; to make such repairs, alterations and improvements as Assignee deems appropriate; and to perform any other acts in connection with management and operation of the Property as Assignee, in its sole and absolute discretion, may deem appropriate.

(b) Without in any way limiting the provisions in any of the Leases and the Credit Agreement governing the manner in which Assignee shall apply the Rents prior to the occurrence of an Event of Default (as defined in the Credit Agreement), any income derived from the Property pursuant to subparagraph (a) above shall be applied first to the reasonable, out-of-pocket costs and expenses of Assignee incurred in connection with the operation and maintenance of the Property, including, without limitation, reasonable management fees and professional fees, taxes, water and sewer charges, insurance, maintenance, repairs and the like; second, to interest due on the Debt secured hereby; third, to any other amounts necessary to meet obligations of Assignor under the Credit Agreement, the Notes, the Mortgage, this Assignment and the other Loan Documents other than payment of the principal indebtedness evidenced by Notes; and fourth, to the principal indebtedness evidenced by the Notes and any other Debt.

(c) Notwithstanding the foregoing, prior to taking possession of the Property, this Assignment and Assignee's collection of the Rents shall not place responsibility on Assignee for the control, care, management or repair of the Property or make Assignee responsible or liable for any injury or death to any person or property arising from any negligence in the management, operation, upkeep, repair or control of the Property.

(d) Assignee's exercise of its rights under subparagraph (a) above shall not waive or cure any default under the Notes, or the Mortgage, this Assignment or any of the other Loan Documents nor affect any proceedings or any sale pursuant thereto.

8. Indemnity. Assignor hereby agrees to indemnify and hold Assignee harmless against and from all liability, loss, damage and expense, including reasonable attorney's fees actually incurred, which any of them may or shall incur by reason of this Assignment, or by

reason of any action taken in good faith by Assignee hereunder, and against and from any and all claims and demands whatsoever which may be asserted against Assignee or any Lender by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants and conditions contained in the Leases assigned hereunder, unless any such liability, loss, damage or expense is caused solely by Assignee's gross negligence or willful misconduct. Should the Assignee or any Lender incur any such liability, loss, damage or expense, the amount thereof, together with interest thereon at the rate set forth in the Notes, shall be payable by Assignor to Assignee immediately upon demand and shall be deemed secured by the Mortgage.

9. Benefits and Burdens. This Assignment shall be binding upon Assignor and its successors and assigns, including any subsequent owner of the Property, and shall inure to the benefit of Assignee and its successors and assigns, including any assignee of the Notes and the Mortgage.

10. Notices. All notices, requests, demands, directions and other communications (collectively "notices") under the provisions of this Assignment must be in writing (including telexed telecopied communication) unless otherwise expressly permitted under this Assignment and must be sent by first-class or first-class express mail, private overnight or next Business Day courier or by telex or telecopy with confirmation in writing mailed first class, in all cases with charges prepaid, and any such properly given notice will be effective when delivered personally or when received otherwise. All notices will be sent to the applicable party at the addresses stated below or in accordance with the last unrevoked written direction from such party to the other parties.

If to Assignor:

Sargent Electric Company

28TH & LIBERTY AVE

P.O. BOX 30

PITTSBURGH, PA 15230

Attention: FREDERIC B. SARGENT

With a copy to:

ROBERT B. WILLIAMS, ESQ.

1500 TWO CHATHAM CENTER

PITTSBURGH, PA 15219

If to Assignee:

National City Bank of Pennsylvania

National City Center

20 Stanwix Street

Pittsburgh, PA 15222

Attention: Jimmy J. Kaderli, Vice President

With a copy to: Jeffery A. Deller, Esquire
Klett Rooney Lieber & Schorling
40th Floor, One Oxford Centre
Pittsburgh, PA 15219-6498

11. Governing Law. The parties acknowledge that this Assignment was negotiated and executed in the State of Indiana (without giving effect to Indiana's principles of conflicts of law) and hereby agree that the laws thereof shall govern the terms hereof.

12. Entire Agreement. This is the entire agreement between the parties hereto with respect to the subject matter hereof.

13. Amendment. This Assignment cannot be changed or amended except by an agreement in writing signed by the party against whom enforcement of the change is sought.

14. Further Acts. Assignor shall, at the request of Assignee, execute and deliver to Assignee such further instruments and do and perform such other acts and things as Assignee may deem reasonably necessary or appropriate, from time to time, to: (a) make effective this Assignment and the various covenants of Assignor herein contained and to more effectively vest in and secure to Assignee the sums due or hereafter to become due under the Leases, including, without limitation, the execution of such additional assignments as shall be deemed necessary by Assignee to effectively vest in and secure to Assignee all rents, income, deposits and profits from and under any and all Leases and (b) without limiting the foregoing, create a perfected security interest in favor of Assignee in any letters of credit that Assignee receives under the Leases.

15. Rights Optional. Assignee shall not be responsible for its failure to exercise or enforce any rights granted to it under this Assignment. Any failure or omission by Assignee to enforce this Assignment for any period of time shall not impair the force or effect hereof or prejudice the rights of Assignee, and Assignee shall not be required under this Assignment to exercise or enforce any of the rights herein granted to it, it being understood that all matters contained herein are strictly within the discretion of Assignee.

16. Rights Cumulative. No right or remedy herein conferred upon or otherwise available to Assignee is intended to be or shall be construed to be exclusive of any other right or remedy, but each and every one of the rights and remedies of Assignee hereunder are cumulative and not in lieu of, but in addition to, any rights or remedies which Assignee may have under the Credit Agreement, the Notes, the Mortgage, and the other documents and instruments executed in connection therewith and the other Loan Documents, at law, or in equity, any and all of which such rights and remedies may be exercised by Assignee prior to, simultaneously with, or subsequent to any action taken hereunder. Any and all rights and remedies of Assignee may be exercised from time to time and as often as Assignee deems such exercise to be expedient, and the delay or failure of Assignee to avail itself of any of the terms,

provisions, and conditions of this Assignment for any period of time, at any time or times, shall not be construed or deemed to be or constitute a waiver or impairment thereof. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or any acquiescence therein; nor shall the giving, taking, or enforcement of any other or additional security, collateral, or guaranty for the payment of the indebtedness secured under this Assignment operate to prejudice, waive, or affect the security of this Assignment or any rights, powers, or remedies hereunder; nor shall Assignee be required to first look to, enforce, or exhaust, any such other or additional security, collateral, or guaranty. Assignor hereby further agrees that: (a) none of the rights or remedies of Assignee available under the Mortgage or any other Loan Document or otherwise shall be delayed or in any way prejudiced by this Assignment; (b) notwithstanding any variation or modification, at any time, of the terms of the Credit Agreement, the Notes, the Mortgage, and/or any other Loan Document or any extension of time for payment thereunder or under the Notes or any release of part or parts of the security conveyed under any of the Loan Documents, the Leases and all of the benefits assigned hereunder shall continue as additional security in accordance with the terms hereof; and (c) each and all of the Leases shall remain in full force and effect, irrespective of any merger of the interest of a lessor and tenant thereunder.



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

WITNESS:

SARGENT ELECTRIC COMPANY

John D. Sargent

By: [Signature]
Name: FREDERIC B. SARGENT
Title: CEO



ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY)

On this, the 31st, day of August, 2004, before me, the authority in and for said County and Commonwealth, personally appeared Frederic B. Siffert who acknowledged himself to be a CEO of the **Sargent Electric Company**, and that he as such CEO, being authorized to execute the foregoing Assignment of Leases and Rents on behalf of such corporation, executed the foregoing Amended and Restated Assignment of Leases and Rents on behalf of such corporation for the purposes set forth therein by signing the name of the corporation by himself as such CEO.

Tina Z. Mazza
Notary Public

My Commission Expires:

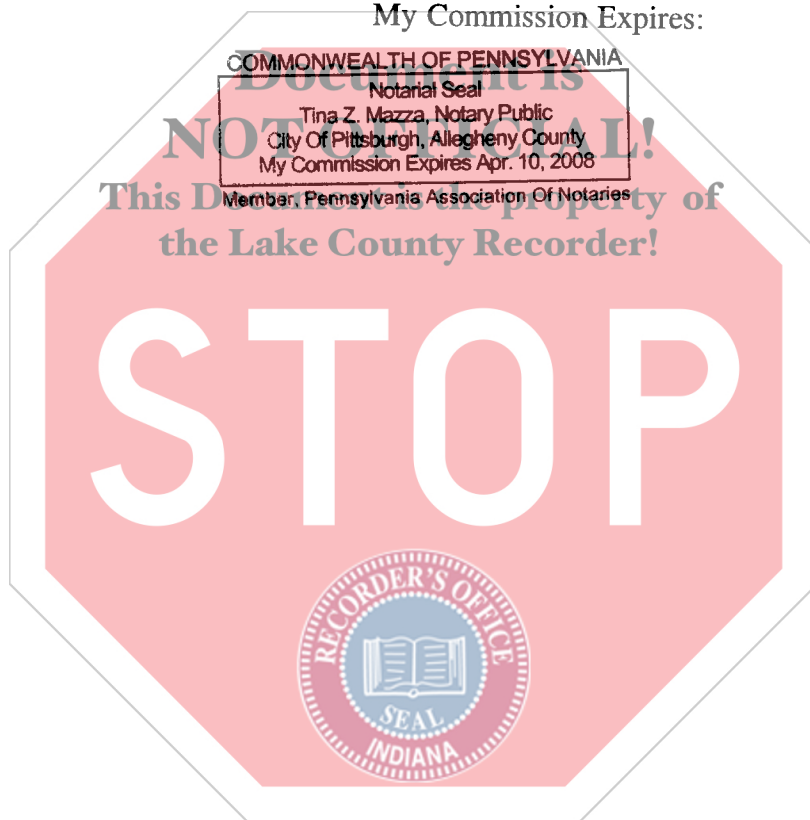


Exhibit "A"

LEGAL DESCRIPTION



Exhibit "A"

LEGAL DESCRIPTION

Corner of East Chicago Avenue and Alexander Avenue, east Chicago, Indiana, in Subdivision
S.W. S.28 T.37 R.9 A11 L1 BL 11 and L2 B11 and L3 BL11 24 30-7-1



ASSIGNMENT OF LEASES AND RENTS

Between

SARGENT ELECTRIC COMPANY

And

NATIONAL CITY BANK OF PENNSYLVANIA

**Document is
NOT OFFICIAL!**

**This Document is the property of
the Lake County Recorder!
Please return after recording to:**

After recording please return to:

Shannon Carifa
LandAmerica NCS
4111 Executive Parkway - Suite 304
Westerville, OH 43081

