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STATE OF INDIANA
LAMAR COUNTY
FILED FOR RECORD

2005 079998

SECURITY AGREEMENT AND
COLLATERAL ASSIGNMENT OF BENEFICIAL INTEREST

MUNSTER, INDIANA
RECORDED

This Security Agreement and Collateral Assignment of Beneficial Interest is entered into on July 22, 2005, by **Munster Steel Co Inc**, (hereinafter called the "Assignor"), who resides at **9505 Calumet Avenue, Munster, IN 46321**, the owner of 100% of the entire beneficial interest under a Trust Agreement dated the **21st day of June, 1983** (hereinafter called the "Trust Agreement" or the "Trust"), identified on the records of the Trustee and known as Trust No. **P-3050** (of which **Calumet National Bank, now known as Bank Calumet, N.A.**, is Trustee) and **NATIONAL CITY BANK OF INDIANA**, with its office at **8001 Broadway, Merrillville, IN 46410**, (hereinafter called the "Bank").

1. **Grant of Security Interest; Assignment; Collateral.** To secure the Obligations hereinafter described, Assignor hereby grants a security interest in and assigns to Bank all of the rights and interest of Assignor under the Trust Agreement (a) including, without limitation, the right to receive distribution of any property held by the Trust and all proceeds from all dispositions or realizations of any kind from any property owned by the Trust, whether disposition is by way of sale, rental, mortgage or otherwise and whether realization is by way of recovery of the proceeds of any insurance covering any property of the Trust; and (b) also including any and all right to manage, direct and control the property of the Trust; and (c) also including the absolute assignment and transfer to Bank of all rights and powers of direction with regard to the Trust, the property of the Trust and the proceeds of any of the foregoing. The foregoing rights and interest of Assignor in and under the Trust Agreement are hereinafter called the "Collateral."
2. **Obligations.** The Obligations secured by this Security Agreement (hereinafter called the "Obligations") are the following: (a) the indebtedness evidenced by a Note executed by Assignor to the Bank dated **April 4, 2005**, in the principal amount of **Four Million and 00/100 Dollars (\$4,000,000.00)** and any extensions, renewals or refinancings thereof; (b) any other indebtedness or liability of Assignor to the Bank whether direct or indirect, joint or several, absolute of contingent, now or hereafter existing, however created and however evidenced; (c) any sum paid or incurred by the Bank pursuant to paragraph 4(a) hereof; and (d) in the event of any proceeding to enforce the collection of the Obligations, court costs and reasonable attorneys' fees.
3. **Representations, Warranties and Promises.** Assignor represents, warrants and promises as follows:
 - (a) Assignor is owner of the interest in the Trust herein described free and clear of any claim of any kind other than the security interest herein granted. Assignor will defend the Collateral and the property of the Trust against any claims of any persons adverse to the claim of the Bank.
 - (b) The Trust is the owner of record of the property described in the Rider attached to this agreement. The property is without encumbrances of any kind except as shown herein.

SUBJECT TO TRUSTEE'S EXCULPATION ATTACHED
HERETO AND MADE A PART HEREOF.

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- (c) There is no Financing Statement now on file in any public office relating to the beneficial interest or the trust and so long as any amount remains unpaid on any of the Obligations of the Assignor to the Bank, the Assignor will not execute and there will not be on file in any public office any Financing Statement or Statements described or attempting to describe the Collateral secured herein.
- (d) Assignor will furnish the Bank with satisfactory evidence that the property of the Trust has been adequately insured by a company or companies reasonably satisfactory to the Bank. All insurance policies covering the property of the Trust shall include loss payable clauses in favor of the Bank.
- (e) Assignor will not hereafter assign, sell, transfer or grant a security interest in the Collateral to anyone other than the Bank. Assignor will not direct the Trustee to lease, sell, transfer or encumber any of the property in the Trust (nor suffer or permit anyone else to do so) without the prior written consent of the Bank.
- (f) Assignor shall (i) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the property of the Trust which may become damaged or destroyed; (ii) keep said property of the Trust in good condition and repair and without waste; (iii) complete within a reasonable time any building or buildings now or at any time in process of erection upon the property of the Trust; (iv) comply with all requirements of law or municipal ordinances with respect to the property of the Trust and the use thereof; and (v) without prior written consent of the Bank being first had and obtained, make no material alterations in the property of the Trust except as required by law or municipal ordinance.
- (g) Assignor will pay all taxes now or hereafter levied or assessed against the property of the Trust and before the same become delinquent, and will promptly pay and discharge any and all liens now or hereafter chargeable against said property.

4. **Rights and Obligations of the Bank.**

- (a) At its option, the Bank may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral or the property of the Trust. The Bank also has the option to pay for insurance on the Collateral or the property of the Trust and to pay expenses for the maintenance and preservation of the Collateral or the property of the Trust. Any payment made, or any expense incurred by the Bank pursuant to this paragraph, shall become a part of the Obligations hereby secured, and Assignor agrees to reimburse the Bank on demand for the amount paid or incurred plus interest thereon at the highest rate per annum permitted by law.
- (b) Notwithstanding anything to the contrary appearing in the Trust Agreement, the interest hereinabove described is granted and assigned to the Bank by way of collateral security only and, accordingly, the Bank by its acceptance

hereof shall not be deemed to have assumed or become liable for any of the obligations or liabilities of Assignor under the Trust Agreement, whether provided for by the terms thereof, arising by operation of law, or otherwise; Assignor hereby acknowledging that Assignor remains liable thereunder to the same extent as though this Security Agreement and Collateral Assignment of Beneficial Interest had not been made.

- (c) The acceptance by Bank at any time and from time to time of part payment on the Obligations shall not be deemed to be a waiver of any default then existing. No waiver by Bank of any default shall be deemed to be a waiver of any other then existing or subsequent default, nor shall any such waiver by Bank be deemed to be a continuing waiver. No delay or omission by Bank in exercising any right, remedy or privilege hereunder shall impair any such right, remedy or privilege or be construed as a waiver thereof or any acquiescence in the default giving rise thereto, nor shall any single or partial exercise of any such right, remedy or privilege preclude other or further exercise thereof, or the exercise of any other right, remedy or privilege of Bank hereunder.

All rights, remedies and privileges available to Bank hereunder shall be cumulative of and in addition to all other rights, remedies and privileges granted to Bank at law or in equity and may be exercised from time to time, and as often as may be deemed expedient by Bank.

5. **Events of Default.** Assignor shall be in default under this Security Agreement upon the happening of any one of the following events or the existence of any one of the following conditions:

- (a) failure by **Munster Steel Co Inc** to pay any of the Obligations when due or failure by Assignor to perform any promise made in this Security Agreement;
- (b) breach of any warranty made by Assignor in this Security Agreement;
- (c) any misrepresentation made by Assignor in this Security Agreement or in any document furnished to the Bank by Assignor in connection with the Collateral or any property of the Trust;
- (d) any event which results in the acceleration of the maturity of any indebtedness of Assignor to any other party under any loan agreement or undertaking by Assignor of any kind;
- (e) the creation of any encumbrance upon the Collateral or any property of the Trust or the making of any levy, judicial seizure or attachment thereof or thereon;
- (f) any loss, theft, damage or destruction of the property of the Trust not adequately insured;
- (g) death, dissolution, termination of existence, or insolvency of Debtor;

- (h) appointment of a receiver for any part of the property of Assignor, or the making of any assignment for the benefit of creditors by Assignor or the initiation of any proceeding under bankruptcy laws by or against Assignor.
6. **Rights of Parties Upon Default.** Upon default, or at any time or times from time to time thereafter, the Bank may,
- (a) exercise any one or more or all the rights or remedies set forth in the Note hereinabove described or set forth in any other evidence of indebtedness secured hereby or in any agreement between Assignor and Bank; and in addition thereto, the Bank shall have full power and authority to exercise all or any one or more of the remedies and shall have all the rights of secured party under the Uniform Commercial Code of Indiana (hereinafter called the "Code"). Any requirements of the Code for reasonable notice shall be met if such notice is mailed, postage prepaid, to the Assignor at the address of the Assignor shown on the records of the Bank at least 15 days prior to the time of the sale, disposition or other event or thing giving rise to the requirement of notice. The right of the Bank to be the purchaser for its own account at any sale or other disposition of the Collateral shall not be affected by the fact that the Bank is or may be now or at the time of such sale or disposition the Trustee under the Trust Agreement, nor shall such fact in any manner otherwise affect the rights of the Bank to sell, dispose of or otherwise deal with the security interest granted herein. The Bank shall have the unqualified right, in connection with any such sale of collateral, to execute and deliver an assignment of said beneficial interest to the purchaser at any such sale, free of any right to redemption by Assignor, and upon the filing thereof with the Trustee of the trust, said Trustee may recognize said assignee as the absolute owner of said beneficial interest for any and all purposes whatsoever and may act on directions of said assignee without any liability or obligations to Assignor whatsoever, without inquiry into the validity or propriety of such sale or assignment, and irrespective of any notice whatsoever from Assignor or any other person, unless and until said Trustee is served with an order of court prohibiting further action by the Trustee upon the direction of such assignee; and
- (b) the Bank may proceed immediately to exercise each and all of the powers, rights and privileges reserved or granted to Assignor under the Trust Agreement to manage, direct, control and deal with the property or any part thereof covered by the Trust Agreement, including without limitation the right to collect and receive the proceeds from rentals and from mortgages, sales, conveyances or other dispositions or realizations of any kind of or from said property or any part thereof; and
- (c) the Bank may proceed to protect and enforce this Security Agreement by suits or proceedings in equity, at law or otherwise, whether for the foreclosure hereof or for the appointment of a receiver of the property covered by the Trust Agreement or any part thereof, or for the enforcement of any other proper legal or equitable remedy available under applicable law.


Any and all net proceeds received by the Bank by reason of the foregoing paragraphs (a), (b), and (c) after first deducting all legal or other costs and expenses in effecting such realization shall be applied to pay any or all of the indebtedness hereby secured as the Bank shall deem proper, any overplus to be returned to the Assignor. Upon full payment of all indebtedness hereby secured, this Security Agreement and Collateral Assignment of Beneficial Interest and the lien or charge created hereby or resulting herefrom shall cease to exist.

7. **Clause Restricting Subsequent Assignments.** The Assignor expressly covenants and agrees so long as any indebtedness remains unpaid to the assignee secured by this Security Agreement and Collateral Assignment of Beneficial Interest, not to assign, transfer or hypothecate in any manner the beneficial interest under the land trust described herein. The Assignor expressly hereby authorizes and **Calumet National Bank, now known as Bank Calumet, N.A.**, as Trustee, not to accept, or register upon its trust records, any subsequent assignment, for any purpose, until the security interest secured by this assignment shall have been released.
8. **Waiver of Homestead Rights.** The Assignor expressly waives and releases any and all rights or benefits under and by virtue of any and all statutes of the State of Illinois providing for exemption of homestead for sale on execution or otherwise.
9. **Additional provisions.** All rights of the Bank hereunder shall inure to the benefit of its successors and assigns, all the obligations of the Assignor shall bind its or his successors, heirs and assigns. In the event that this Agreement is executed by more than one Assignor, the word "Assignors" shall be deemed to include all of them (or any of them) and all of the undertakings contained herein shall be the joint and several obligations of the Assignors and each of them.

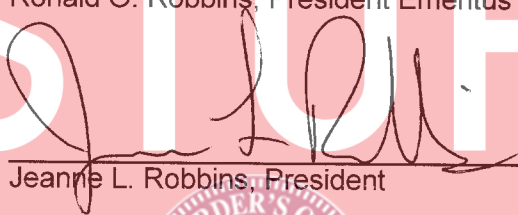
Executed this 22 day of July 2005.

NOT OFFICIAL!
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the Lake County Recorder!

Munster Steel Co Inc



Ronald O. Robbins, President Emeritus



Jeanne L. Robbins, President



CREDITOR'S ACCEPTANCE

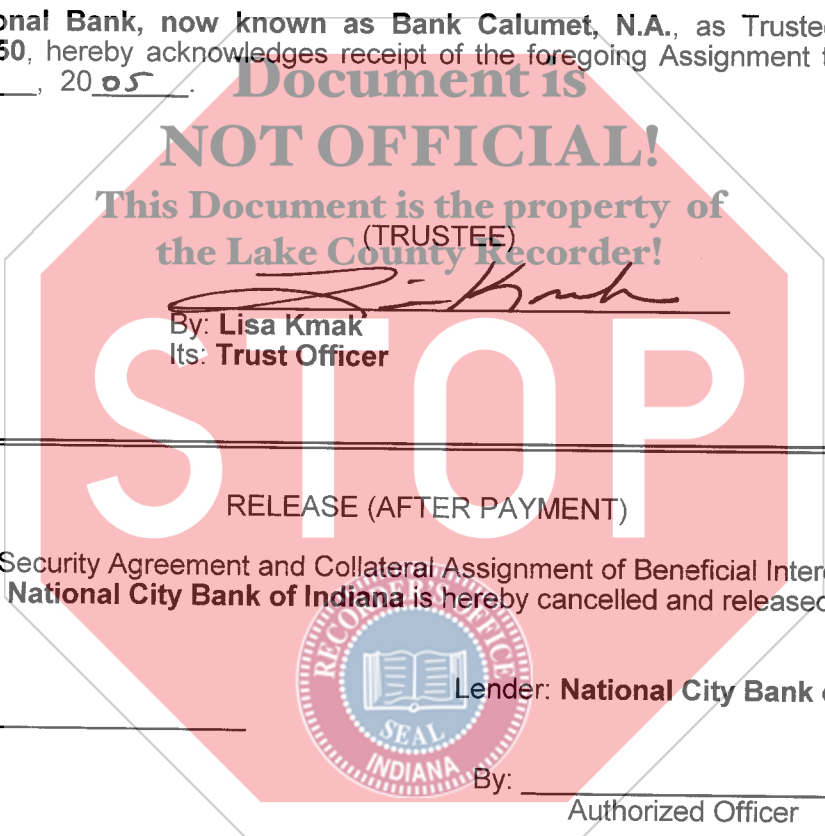
The Bank hereby acknowledges receipt of the foregoing Assignment this 27th day of July, 2005, and accepts the same.

NATIONAL CITY BANK OF INDIANA (BANK)

[Signature]
By: Timothy Meyer
Its: VICE PRESIDENT

TRUSTEE'S ENDORSEMENT

Calumet National Bank, now known as Bank Calumet, N.A., as Trustee under its Trust Number P-3050, hereby acknowledges receipt of the foregoing Assignment this 26 day of July, 2005.



By: [Signature]
Its: Trust Officer

RELEASE (AFTER PAYMENT)

The foregoing Security Agreement and Collateral Assignment of Beneficial Interest from **Munster Steel Co Inc** to **National City Bank of Indiana** is hereby cancelled and released.

Date: _____

Lender: **National City Bank of Indiana**

By: _____
Authorized Officer

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against Bank Calumet National Association on account of this instrument or on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

Nothing contained herein shall be construed as creating any liability on Bank Calumet National Association, personally under the provisions of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) or the Indiana Responsible Property Transfer Law (the Act) as amended from time to time or any other Federal, State or Local law, rule or regulation. Bank Calumet National Association, personally is not a "Transferor" under the Act and makes no representations concerning any possible environmental defects. In making any warranty herein the Trustee is relying solely on information furnished to it by the beneficiaries and not of its own knowledge and specifically exculpates itself from any liabilities, responsibilities or damages as a result of including any warranty in its instrument.

