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FIRST FEE MORTGAGE
(INDIANA)

CHICAGO TITLE INSURANCE COMPANY
INDIANA DIVISION

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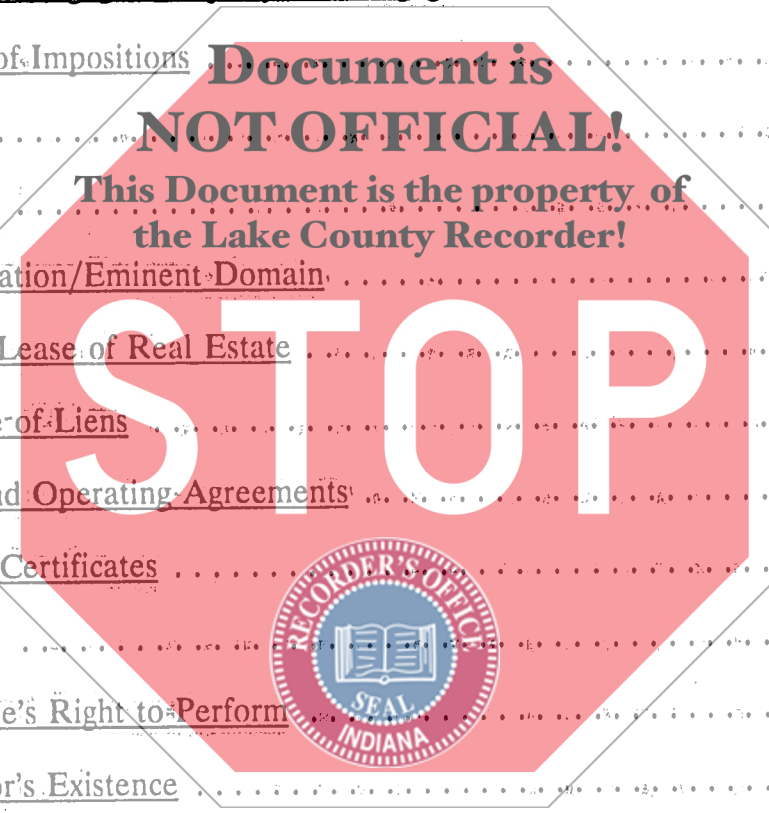
This instrument was prepared by the above named attorney.

STATE OF INDIANA / S.E. AND
LAKE COUNTY
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FIRST FEE MORTGAGE
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Exhibit A - Description of the Land

Exhibit B - Permitted Encumbrances

FIRST MORTGAGE

THIS FIRST MORTGAGE (herein called this "Mortgage") is made as of the 1st day of June, 1992, by U.S. REDUCTION Co., a Delaware corporation, having its chief executive office at 9200 Calumet Avenue, Munster, Indiana 46321, (hereinafter, together with its successors and assigns, called "Mortgagor"), to BARCLAYS BUSINESS CREDIT, INC., a Connecticut corporation having an office at 200 West Madison Street, Chicago, Illinois 60606 (hereinafter, together with its successors and assigns, called "Mortgagee") as Lender (as such term is defined in that certain Loan and Security Agreement (the "Agreement"), dated as of June 1, 1992, by and between Mortgagor and Mortgagee, and is incorporated herein by reference).

W I T N E S S E T H:

To secure the following obligations and liabilities:

(a) the payment to Mortgagee of (i) the principal sum of up to Four Million Two Hundred Thousand and No/100 DOLLARS (\$4,200,000) (the "Loan") in the aggregate to be paid plus accrued interest thereon to be paid pursuant to the provisions of the Term Note (as defined in Section 1.1 of the Agreement) (the Term Note is sometimes hereinafter referred to as the "Note"), of Mortgagor issued pursuant to the Agreement (the Note and the Agreement, as each may be from time to time amended, supplemented, extended, renewed, or otherwise modified, being hereinafter collectively referred to as the "Loan Agreement"); (Any term capitalized, but not specifically defined in this Mortgage, which is defined in the Loan Agreement, shall have the same meaning in this Mortgage as in the Loan Agreement), (ii) any and all other sums due or to become due under the Loan Agreement (with the exception of the revolving credit loan to be made pursuant thereto and the sum payable under the revolving credit note issued in connection therewith and any revolving credit advances, all of which are hereinafter collectively referred to as the "Revolving Credit Loan"), this Mortgage or any other Loan Document (as hereinafter defined) (other than with respect to the Revolving Credit Loan), (iii) any further or subsequent advances made under the Loan Agreement (other than with respect to the Revolving Credit Loan) or this Mortgage, and (iv) any extensions, renewals, replacements or modifications of the Loan Agreement or any other Loan Document (other than with respect to the Revolving Credit Loan) (the items set forth in clauses (i) through (iv) hereof being hereinafter collectively referred to as the "Indebtedness"); and

(b) the performance of all of the terms, covenants, conditions, agreements, obligations and liabilities of Mortgagor (collectively, the "Obligations") under (i) this Mortgage, (ii) the Loan Agreement (other than with respect to the Revolving Credit Loan), (iii) any mortgages or deeds of trust in addition to this Mortgage now or hereafter made by Mortgagor to

Mortgagee to secure the Indebtedness (such additional mortgages and deeds of trust being hereinafter collectively referred to as the "Additional Mortgages"), (iv) any supplemental agreements, undertakings, instruments, documents or other writings executed by Mortgagor as a condition to advances under the Loan Agreement (other than with respect to the Revolving Credit Loan); or otherwise in connection with the Loan Agreement (other than with respect to the Revolving Credit Loan), (v) all chattel mortgages, pledges, powers of attorney, consents, assignments, notices, leases and financing statements heretofore, now or hereafter executed by or on behalf of Mortgagor or any other Person (as hereinafter defined) and/or delivered to Mortgagee in connection with the Loan Agreement or the transactions contemplated thereby (other than with respect to the Revolving Credit Loan); and (vi) any extensions, renewals, replacements or modifications of any of the foregoing (this Mortgage, the Loan Agreement, the Additional Mortgages and any instruments, documents, or other writings executed in connection with any of the foregoing, together with (1) powers of attorney, consents, assignments, notices, leases and financing statements, (2) any guarantees of the Indebtedness and the Obligations, and (3) any deeds of trust, mortgages, security agreements or assignments, now or hereafter made by Mortgagor to secure the Indebtedness, and/or the Obligations are hereinafter collectively referred to as the "Loan Documents");

and in consideration of Ten Dollars (\$10.00), in hand paid, the receipt and legal sufficiency of which are hereby acknowledged, Mortgagor does hereby MORTGAGE, GIVE, GRANT, BARGAIN, SELL, WARRANT, ALIENATE, REMISE, RELEASE, CONVEY, ASSIGN, TRANSFER, HYPOTHECATE, DEPOSIT, PLEDGE, SET OVER and CONFIRM unto Mortgagee the following described real and other property and all substitutions for and all replacements, reversions and remainders of such property, whether now owned or held or hereafter acquired by Mortgagor (collectively the "Mortgaged Property");

All those plots, pieces or parcels of land more particularly described in Exhibit A annexed hereto and made a part hereof, together with the right, title and interest of Mortgagor, if any, in and to the streets and in and to land lying in the bed of any streets, roads or avenues, open or proposed, public or private, in front of, adjoining or abutting said land to the center line thereof, the air space and development rights pertaining to said land and the right to use such air space and development rights, all rights of way, privileges, liberties, tenements, hereditaments and appurtenances belonging to, or in any way pertaining to, said land, all easements now or hereafter benefitting said land, all strips and gores belonging, adjacent or pertaining to said land and all royalties and rights appertaining to the use and enjoyment of said land, including, but without limiting the generality of the foregoing, all alley, vault, drainage, mineral, water, oil, coal, gas, timber and other similar rights (collectively the "Land");

TOGETHER with the buildings and other improvements now or hereafter erected on the Land (the buildings and other improvements being hereinafter collectively referred to as the "Buildings," and the Land together with the Buildings and the Fixtures (as hereinafter defined), being hereinafter collectively referred to as the "Real Estate");

TOGETHER with all and singular the reversion or reversions, remainder or remainders, rents, issues, profits and revenues of the Real Estate and all of the estate, right, title, interest, dower and right of dower, curtesy and right of curtesy, property, possession, claim and demand whatsoever, both in law and at equity, of Mortgagor of, in and to the Real Estate and of, in and to every part and parcel thereof, with the appurtenances, at any time belonging or in any way appertaining thereto;

TOGETHER with all of the fixtures, systems, machinery, apparatus, equipment and fittings of every kind and nature whatsoever and all appurtenances and additions thereto and substitutions or replacements thereof now owned or hereafter acquired by Mortgagor and now or hereafter attached or affixed to, or constituting a part of, the Real Estate or any portion thereof (collectively the "Fixtures"), including, but without limiting the generality of the foregoing, all heating, electrical, mechanical, lighting, lifting, plumbing, ventilating, air conditioning and air-cooling fixtures, systems, machinery, apparatus and equipment, refrigerating, incinerating and power fixtures, systems, machinery, apparatus and equipment, loading and unloading fixtures, systems, machinery, apparatus and equipment, escalators, elevators, boilers, communication systems, switchboards, sprinkler systems and other fire prevention and extinguishing fixtures, systems, machinery, apparatus and equipment, and all engines, motors, dynamos, machinery, wiring, pipes, pumps, tanks, conduits and ducts constituting a part of any of the foregoing, it being understood and agreed that all of the Fixtures are appropriated to the use of the Real Estate and, for the purposes of this Mortgage, shall be deemed conclusively to be Real Estate and mortgaged hereby;

TOGETHER with Mortgagor's right, title and interest in, to and under all leases, subleases, underlettings, concession agreements, licenses, other occupancy agreements, and all of Mortgagor's rights and benefits under all documents which now or hereafter may affect the Real Estate or any portion thereof, whether recorded or unrecorded, and under any and all guarantees, modifications, renewals and extensions thereof (collectively the "Leases"), and in and to any and all deposits made or hereafter made as security under the Leases, subject to the prior legal rights under the Leases of the lessees making such deposits, together with any and all of the benefits, revenues, income, rents, issues and profits due or to become due or to which Mortgagor is now or hereafter may become entitled arising out of the Leases or the Real Estate or any portion thereof (collectively the "Rents");

TOGETHER with Mortgagor's right, title and interest in, to and under all reciprocal easement agreements and similar agreements however labelled or denominated and supplements to such agreements, and all guarantees, modifications, extensions and renewals thereof affecting the Real Estate (collectively, "Operating Agreements");

TOGETHER with, subject to the provisions of Paragraph 7 herein, (a) all unearned premiums accrued, accruing or to accrue under any insurance policies now or hereafter obtained by Mortgagor affecting the Real Estate and Mortgagor's interest in and to all proceeds which now or hereafter may be paid in connection with the conversion of the Mortgaged Property or any portion thereof into cash or liquidated claims, together with

the interest payable thereon and the right to collect and receive the same, including, but without limiting the generality of the foregoing, proceeds of casualty insurance, title insurance and any other insurance now or hereafter maintained by Mortgagor with respect to the Real Estate or in connection with the use or operation thereof (collectively the "Insurance Proceeds"), and (b) all awards, payments and/or other compensation, together with the interest payable thereon and the right to collect and receive the same, which now or hereafter may be made with respect to the Mortgaged Property as a result of (i) a taking by eminent domain, condemnation or otherwise, (ii) the change of grade of any street, road or avenue or the widening of any streets, roads or avenues adjoining or abutting the Land, or (iii) any other injury to, or decrease in the value of, the Mortgaged Property or any portion thereof (collectively the "Awards"), in any of the foregoing circumstances described in clauses (a) or (b) above to the extent of the entire amount of the Indebtedness outstanding as of the date of Mortgagee's receipt of any such Insurance Proceeds or Awards, notwithstanding that the entire amount of the Indebtedness may not then be due and payable, and also to the extent of reasonable attorneys' fees, reasonable costs and disbursements incurred by Mortgagee in connection with the collection of any such Insurance Proceeds or Awards. Mortgagor hereby assigns to Mortgagee and Mortgagee is hereby authorized to collect and receive all Insurance Proceeds and Awards and to give proper receipts and acquittances therefor and to apply the same toward the Indebtedness as herein set forth notwithstanding that the entire amount of the Indebtedness may not then be due and payable. Mortgagor hereby agrees to make, execute and deliver, from time to time, upon demand, such further documents, instruments or assurances as may be requested by Mortgagee to confirm the assignment of the Insurance Proceeds and the Awards to Mortgagee, free and clear of any interest of Mortgagor whatsoever therein and free and clear of any other liens, claims or encumbrances of any kind or nature whatsoever;

TOGETHER with all right, title and interest of Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Real Estate, and in each such case, the foregoing shall be deemed a part of the Real Estate and shall become subject to the lien of this Mortgage as fully and completely, and with the same priority and effect, as though now owned by Mortgagor and specifically described herein, without any further mortgage, conveyance, assignment or other act by Mortgagor.

TO HAVE AND TO HOLD the Mortgaged Property and the rights and privileges hereby mortgaged or intended so to be unto Mortgagee and its successors and assigns for the uses and purposes herein set forth, until the Indebtedness is fully paid and the Obligations are fully performed in accordance with the provisions set forth herein and in the other Loan Documents.

Mortgagor further represents, warrants, covenants and agrees with Mortgagee as follows:

1. Warranty of Title. Mortgagor warrants that it has good and marketable fee simple absolute title to the Real Estate and Fixtures and has the right to mortgage the same in accordance with the provisions set forth in this Mortgage and that this Mortgage is a valid and enforceable first lien on the Mortgaged Property, subject only

to the exceptions to title more particularly described in Exhibit B attached hereto and made a part hereof (collectively, the "Permitted Encumbrances"). Mortgagor shall (a) preserve such title and the validity and priority of the lien of this Mortgage and shall forever warrant and defend the same unto Mortgagee against the claims of all and every person or persons, corporation or corporations and parties whomsoever, and (b) make, execute, acknowledge and deliver all such further or other deeds, documents, instruments or assurances and cause to be done all such further acts and things as may at any time hereafter be reasonably required by Mortgagee to confirm and fully protect the lien and priority of this Mortgage.

2. Payment of Indebtedness. (a) Mortgagor shall pay the Indebtedness at the times and places and in the manner specified in the Loan Documents and shall perform all of the Obligations in accordance with the provisions set forth herein and in the other Loan Documents.

(b) Any payment made in accordance with the terms of this Mortgage by any person at any time liable for the payment of the whole or any part of the Indebtedness, or by any subsequent owner of the Mortgaged Property, or by any other person whose interest in the Mortgaged Property might be prejudiced in the event of a failure to make such payment, or by any stockholder, officer or director of a corporation or by any partner of a partnership which at any time may be liable for such payment or may own or have such an interest in the Mortgaged Property shall be deemed, as between Mortgagee and all persons who at any time may be liable as aforesaid or may own the Mortgaged Property, to have been made on behalf of all such persons.

3. Requirements, Proper Care and Use. (a) To the extent provided by the Loan Agreement, Mortgagor promptly shall comply with, or cause to be complied with, all applicable present and future laws, statutes, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations, restrictions and requirements (collectively "Legal Requirements") of every Governmental Authority (as hereinafter defined) having jurisdiction over Mortgagor or the Mortgaged Property, the failure to comply with which would have a material adverse effect on the Mortgaged Property or the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or Restoration (as hereinafter defined) of the Real Estate, without regard to the nature of the work to be done or the cost of performing the same, whether foreseen or unforeseen, ordinary or extraordinary, and shall perform, or cause to be performed, all obligations, agreements, covenants, restrictions and conditions now or hereafter of record which may be applicable to Mortgagor or to the Mortgaged Property or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or Restoration of the Real Estate, provided, however, that so long as Mortgagor is making reasonable efforts to comply with any such Legal Requirement, Mortgagor shall have until twenty (20) days prior to any date specified by any Governmental Authority to so perform or comply, and if no date is specified, then a reasonable period of time.

(b) Mortgagor shall (i) not abandon the Real Estate or any portion thereof, (ii) maintain the Real Estate and Fixtures in good repair, order and condition, ordinary wear and tear excepted, (iii) promptly make all necessary repairs, renewals, replacements, additions and improvements to the Real Estate and Fixtures, (iv) not commit

or suffer waste with respect to the Real Estate and Fixtures, (v) refrain from impairing or diminishing the value or integrity of the Real Estate or the priority or security of the lien of this Mortgage, (vi) not remove, demolish or materially alter any of the Real Estate and Fixtures without the prior written consent of Mortgagee in each instance unless such alteration shall cost no more than One Hundred Thousand Dollars (\$100,000.00), along with the exception that Mortgagor shall have the right to remove and dispose of, free of the lien of this Mortgage, such Fixtures as may, from time to time, become worn out or obsolete, provided that, simultaneously with or prior to such removal, any such Fixtures shall be replaced with other Fixtures which shall have a value and utility at least equal to that of the replaced Fixtures and which shall be free of any security agreements or other liens or encumbrances of any kind or nature whatsoever, and by such removal and replacement, Mortgagor shall be deemed to have subjected such replacement Fixtures to the lien and priority of this Mortgage, (vii) not make, install or permit to be made or installed, any alterations or additions to the Real Estate if doing so would, in the opinion of Mortgagee, impair to any extent the value of the Mortgaged Property, (viii) not make, suffer or permit any public nuisance to exist on the Real Estate or any portion thereof, and (ix) permit Mortgagee and its agent, at all times, to enter upon the Real Estate for the purpose of inspecting and appraising the Real Estate or any portion thereof to the extent permitted by the Loan Agreement.

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(c) Mortgagor shall not by any act or omission permit any building or other improvement located on any property which is not subject to the lien of this Mortgage to rely upon the Real Estate or any portion thereof or any interest therein to fulfill any Legal Requirement and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Real Estate or any interest therein to be so used. Mortgagor's use of the Real Estate is a permitted use under the applicable zoning for the Real Estate and Mortgagor shall not, by any act or omission, impair the integrity of the Real Estate or initiate or join in any zoning change, private easement or any other modification of the zoning regulating the Real Estate. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this Article 3 shall be null and void.

4. Taxes on Mortgaged Property or Mortgage. (a) If the United States of America, the State in which the Real Estate is located or any political subdivision thereof or any city, town, county or municipality in which the Real Estate is located or any agency, department, bureau, board, commission or instrumentality of any of the foregoing now existing or hereafter created (collectively "Governmental Authorities") shall levy, assess or charge any tax, assessment, fee or imposition upon this Mortgage or any other Loan Document, the Indebtedness, the interest of Mortgagee in the Mortgaged Property, or Mortgagee by reason of this Mortgage or any other Loan Document, the Indebtedness or Mortgagee's interest in the Mortgaged Property (individually a "Tax"; and collectively "Taxes") (excepting therefrom any income tax on payments of interest made under the Loan Agreement), Mortgagor shall pay all such Taxes to, for, or on account of, Mortgagee as they become due and payable and, on demand, shall furnish proof of such payment to Mortgagee. If Mortgagor shall fail to pay any such Tax, then, Mortgagee, at its option and without notice may pay any such Tax and, in such event, the amount so paid (i) shall be deemed to be Indebtedness, (ii) shall be a lien on the Mortgaged Property prior to any

right or title to, interest in, or claim upon, the Mortgaged Property subordinate to the lien of this Mortgage, and (iii) immediately shall be due and payable, on demand, together with interest thereon at the rate of interest then payable under the Loan Agreement, including, in calculating such rate of interest, any additional interest which may be imposed under the Loan Agreement by reason of any default thereunder (such rate of interest being hereinafter referred to as the "Interest Rate"), from the date of any such payment by Mortgagee to the date of repayment. In the event of the passage of any law or regulation permitting, authorizing or requiring any such Tax to be levied, assessed or charged, which law or regulation, in the reasonable judgment of Mortgagee, may prohibit Mortgagor from paying any Taxes to, for or on account of, Mortgagee or which may make such payment by Mortgagor result in the imposition of interest exceeding the maximum rate of interest then permitted by law, then, Mortgagee shall give written notice of such fact to Mortgagor and, one hundred twenty (120) days thereafter, may declare the entire amount of the Indebtedness immediately due and payable.

(b) If any Governmental Authority shall at any time require revenue, documentary or similar stamps to be affixed to this Mortgage or any other Loan Document or shall require the payment of any Taxes with respect to the ownership or recording of this Mortgage or any other Loan Document, Mortgagor, upon demand, shall pay for such stamps in the required amount and shall deliver the same to Mortgagee, for its benefit, together with a copy of the receipt therefor. Mortgagee, at its option and without notice, may pay for the same and, in such event, the amount so paid (i) shall be deemed to be Indebtedness, (ii) shall be a lien on the Mortgaged Property prior to any right or title to, or interest in, or claim upon, the Mortgaged Property subordinate to the lien of this Mortgage, and (iii) immediately shall be due and payable, on demand, together with interest thereon at the Interest Rate, from the date of any such payment by Mortgagee to the date of repayment. Mortgagor shall indemnify Mortgagee for, and shall hold Mortgagee harmless from and against, any and all liability which Mortgagee may incur on account of such revenue, documentary or other similar stamps or by reason of any Taxes referred to in Paragraph 4(a) hereof whether such liability arises before or after payment of the Indebtedness and whether or not the lien of this Mortgage shall have been released.

5. Payment of Impositions. Except as otherwise provided in the Loan Agreement (a) not later than the date (the "Delinquency Date") which is the day before the date on which any fine, penalty, interest, late charge or loss may be added thereto or imposed by reason of the non-payment thereof, Mortgagor shall pay and discharge all Taxes (including, but without limiting the generality of the foregoing, all real property taxes and assessments, personal property taxes, income, franchise, withholding, profits and gross receipts taxes), charges for any easement or agreement maintained for the benefit of the Mortgaged Property or any portion thereof, general and special assessments and levies, permit, inspection and license fees, water and sewer rents and charges and any other charges of every kind and nature whatsoever, foreseen or unforeseen, ordinary or extraordinary, public or private, which, at any time, are imposed upon or levied or assessed against Mortgagor or the Mortgaged Property or any portion thereof, or which arise with respect to, or in connection with, the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or Restoration of the Real Estate or any portion thereof, together with any penalties, interest or late charges which may be imposed in connection

with any of the foregoing (all of the foregoing taxes, assessments, levies and other charges, together with such interest, penalties and late charges, being hereinafter collectively referred to as "Impositions"). If, however, any Legal Requirement shall allow that any Imposition may, at Mortgagor's option, be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Mortgagor may exercise the option to pay such Imposition in such installments; and, in such event, Mortgagor shall be responsible for the payment of all such installments, together with the interest, if any, thereon, in accordance with the provisions of the applicable Legal Requirement. Not later than the Delinquency Date, Mortgagor shall deliver to Mortgagee evidence acceptable to Mortgagee showing the payment of such Imposition. Mortgagor also shall deliver to Mortgagee, within ten (10) days after receipt thereof, copies of all settlements and notices pertaining to any Imposition which may be issued by any Governmental Authority.

(b) Nothing contained in this Mortgage shall affect any right or remedy of Mortgagee under this Mortgage or otherwise to pay, with notice and demand to Mortgagor prior to a Default or Event of Default and without notice or demand thereafter, any Imposition from and after the date on which such Imposition shall have become due and payable and, in such event, the amount so paid (i) shall be deemed to be Indebtedness, (ii) shall be a lien on the Mortgaged Property prior to any right or title to, interest in, or claim upon, the Mortgaged Property subordinate to the lien of this Mortgage, and (iii) shall be immediately due and payable on demand, together with interest thereon at the Interest Rate, from the date of any such payment by Mortgagee to the date of repayment.

(c) Notwithstanding the foregoing provisions, the Mortgagor shall have the general right to contest such Impositions to the extent permitted by the Loan Agreement.

6. Deposits. (a) Subject to the provisions of paragraph (b) below, in order to assure the payment of all Impositions under Article 5 hereof and all premiums for insurance required under Article 7 hereof, Mortgagor agrees that, after occurrence and during the continuation of a Default or an Event of Default, upon demand made by Mortgagee, Mortgagor shall deposit with Mortgagee, for its benefit on the first day of each month from and after the date hereof, an amount equal to one-twelfth (1/12th) of each of (i) the annual Impositions, and (ii) the annual premiums for the insurance required to be provided hereunder with respect to the Real Estate (such premiums for insurance being hereinafter referred to as "Insurance Premiums"). The amount of annual Impositions and Insurance Premiums, when unknown shall be reasonably estimated by Mortgagee. Such deposits shall be used by Mortgagee to pay Impositions and Insurance Premiums when due. From time to time, on demand, Mortgagor shall pay to Mortgagee additional sums sufficient to permit payment of the next due installments of Impositions and Insurance Premiums, if, and to the extent that, the required monthly deposits thereafter falling due before the respective payment dates would otherwise be insufficient to permit the full payment thereof. After occurrence and during the continuation of a Default or Event of Default, Mortgagee may apply any funds deposited with Mortgagee for Impositions or Insurance Premiums to the payment of any of the Indebtedness or to the performance of any such Obligation. To the extent permitted by law, the sums deposited pursuant to this

Article 6 shall bear no interest and may be commingled with other funds of Mortgagee. Upon an assignment of this Mortgage, Mortgagee shall have the right to pay over the balance of any sums deposited pursuant to this Article 6 and then in its possession to Mortgagee's assignee, and thereupon, Mortgagee shall be completely released from all liability with respect to such sums and Mortgagor shall look solely to Mortgagee's assignee with respect thereto. The foregoing provisions shall apply to every transfer of such deposits to a new assignee. Upon payment of the entire amount of the Indebtedness and performance of the Obligations in accordance with the provisions of this Mortgage and the other Loan Documents, or, at the election of Mortgagee, at any prior time, the balance of the deposits then in Mortgagee's possession shall be paid over to the record owner of the Mortgaged Property. Mortgagor, at Mortgagee's request, shall make the aforesaid deposits with such servicer or financial institution as Mortgagee from time to time shall designate.

(b) Notwithstanding anything to the contrary contained in paragraph (a) above, (i) Mortgagee may not make such demand for deposits under paragraph (a) above, and may not require such deposits, unless and until a Default (as hereinafter defined) shall have occurred, provided, however, that if such default shall be cured by Mortgagor, and no other Default shall occur thereafter for a period of one year, then, no further deposits under said paragraph (a) shall be required to be made by Mortgagor unless and until there shall have occurred a new Default and Mortgagee shall make demand for such deposits, pursuant to said paragraph (a), immediately prior to each January 1 of each year during the term hereof, Mortgagor shall submit to Mortgagee a statement (with supporting evidence) of the amount of Impositions and Insurance Premiums payable during the fiscal year ending on the immediately preceding December 31 with respect to the Real Estate and indicating the dates and amounts of Mortgagor's payments in respect thereof (with supporting evidence).

7. Insurance. (a) Mortgagor shall provide and keep in full force and effect, or require to be provided and kept in full force and effect, for the benefit of Mortgagee as hereinafter provided:

- (i) insurance for the Buildings and the Fixtures: (1) against loss or damage by fire, lightning, windstorm, tornado, hail, disaster, earthquake, riot and such other further and additional hazards of whatever kind or nature as are now or hereafter may be covered by standard extended coverage "all risk" endorsements (including, but without limiting the generality of the foregoing, and specifically, vandalism, malicious mischief and damage by water) of whatsoever kind; (2) against war risks as, when and to the extent such insurance is obtainable from the United States of America or an agency thereof, (3) against flood disaster pursuant to the Flood Disaster Protection Act of 1973, 84 Stat. 572, 42 U.S.C. 4001 if the Real Estate is located in an area identified by the United States Department of Housing and Urban Development as a flood hazard area, (4) against business interruption (for a period of not less than one (1) year) and, to the extent that the Real Estate is leased to third parties, against

loss of rentals, due to any of the foregoing causes, and (5) when and to the extent required by Mortgagee, against any other risk insured against by persons operating properties similar to the Real Estate and located in the vicinity of the Real Estate or operations similar to the operations conducted at the Real Estate;

- (ii) if a sprinkler system shall be located in the Buildings, sprinkler leakage insurance;
- (iii) comprehensive public liability insurance with respect to the Real Estate and the operations related thereto, whether conducted on or off the Real Estate, against liability for personal injury, including bodily injury and death, and property damage. Such comprehensive public liability insurance shall be on an occurrence basis and shall specifically include, but not be limited to, sprinkler leakage legal liability (if a sprinkler shall be located in the Buildings), water damage legal liability, products liability, motor vehicle liability for all owned and non-owned vehicles, including rented and leased vehicles, and contractual indemnification;
- (iv) employer's liability, dram-shop (if applicable, e.g., if alcoholic beverages are served at Mortgagee-sponsored, or otherwise related, functions) and workmen's compensation insurance;
- (v) contingent liability insurance in connection with any loss arising from the fact or claim that any Building is or is deemed to be a non-conforming property; and
- (vi) such other insurance in such amounts as may from time to time be reasonably required by Mortgagee against such other insurable hazards as at the time are commonly insured against in the case of properties similar to the Real Estate and located in the vicinity of the Real Estate or operations similar to the operations conducted at the Real Estate.

All insurance provided hereunder shall be provided by an insurance policy or policies in such form or forms and in such amounts as, from time to time, shall be acceptable to Mortgagee, in its sole discretion, shall name Mortgagee as the named insured under a standard "non-contributory mortgage" endorsement or its equivalent, which shall be acceptable to Mortgagee, shall provide for loss payable to Mortgagee, shall be provided by insurance companies which have a Best's rating of at least "AXII" and otherwise shall be acceptable to Mortgagee in its reasonable judgment. Anything contained herein to the contrary notwithstanding, in no event shall the insurance provided under clause (1) of Paragraph 7(a)(i) hereof be in an amount which is less than One Hundred Percent (100%) of the full replacement cost of the Buildings and the Fixtures, including the cost of debris;

removal, but excluding the value of foundations and excavations, as reasonably determined from time to time by Mortgagee. Every policy of insurance referred to in this Paragraph 7(a) shall contain an agreement by the insurer that it will not cancel such policy except after thirty (30) days prior written notice to Mortgagee and that any loss payable thereunder shall be payable notwithstanding any act or negligence of Mortgagor or Mortgagee which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment and notwithstanding (A) occupancy or use of the Mortgaged Property for purposes more hazardous than permitted by the terms of such policy, (B) any foreclosure or other action or proceeding taken by Mortgagee pursuant to this Mortgage upon the happening of a Default or (C) any change in title or ownership of the Mortgaged Property. Mortgagor shall assign and deliver to Mortgagee all such policies of insurance, or duplicate originals thereof and a certificate of insurance certified to Mortgagee by the insurer as being true copies, as collateral and further security for payment of the Indebtedness and performance of the Obligations. If any insurance required to be provided hereunder shall expire, be withdrawn, become void by breach of any condition thereof by Mortgagor or by any lessee of the Real Estate or any portion thereof, or become void or questionable by reason of the failure or impairment of the capital of any insurer, or if such insurance shall become unsatisfactory to Mortgagee in its reasonable judgment, Mortgagor immediately shall obtain new or additional insurance which shall be satisfactory to Mortgagee in its reasonable judgment. Mortgagor shall not take out any separate or additional insurance which is containing in the event of loss unless it is properly endorsed and otherwise satisfactory to Mortgagee in all respects.

(b) Mortgagor shall (i) pay as they become due all premiums for the insurance required hereunder, and (ii) not later than thirty (30) days prior to the expiration of each such policy, deliver a renewal policy or a duplicate original thereof and a certificate of insurance certified to Mortgagee by the insurer as being a true copy evidencing the insurance required to be provided hereunder, marked "premium paid", or accompanied by such other evidence of payment as shall be satisfactory to Mortgagee in its sole discretion.

(c) If Mortgagor shall be in default of its obligation to so insure or deliver any such prepaid policy or policies of insurance to Mortgagee in accordance with the provisions hereof, Mortgagee, at its option and with notice prior to a Default or Event of Default, and without notice thereafter, may effect such insurance from year to year, and pay the premium or premiums therefor, and, in such event, the amount of all such premium or premiums (i) shall be deemed to be Indebtedness, (ii) shall be a lien on the Mortgaged Property prior to any right or title to, or interest in, or claim upon, the Mortgaged Property subordinate to the lien of this Mortgage, and (iii) shall be immediately due and payable, on demand, together with interest thereon at the Interest Rate, from the date of any such payment by Mortgagee to the date of repayment.

(d) Mortgagor shall increase the amount of insurance required to be provided pursuant to the provisions of Paragraph 7(a)(i) hereof and Paragraph 7(a)(ii) hereof at the time that each such policy of insurance is renewed (but, in no event, less frequently than once during each twelve (12) month period) by using the Industrial Risk Insurers' Index to determine whether there shall have been an increase in the replacement

costs of the Buildings and the Fixtures since the most recent adjustment to any such policy and, if there shall have been any such increase, the amount of insurance required to be provided hereunder shall be adjusted accordingly.

(e) Mortgagor promptly shall comply with, and shall cause the Buildings and the Fixtures to comply with, (i) all of the provisions of each such insurance policy, and (ii) all of the requirements of the insurers thereunder applicable to Mortgagor or to any of the Buildings or the Fixtures or to the use, manner of use, occupancy, possession, operation, maintenance, alteration, repair or Restoration (as hereinafter defined) of any of the Buildings or the Fixtures, even if such compliance would necessitate structural changes or improvements or would result in interference with the use or enjoyment of the Real Estate or any portion thereof. If Mortgagor shall use the Real Estate or any portion thereof in any manner which would permit the insurer to cancel any insurance required to be provided hereunder, Mortgagor immediately shall obtain a substitute policy which shall be satisfactory to Mortgagee and which shall be effective on or prior to the date on which any such other insurance policy shall be cancelled.

(f) If the Buildings or the Fixtures or any portion thereof shall be damaged or destroyed by fire or any other casualty (whether insured or uninsured), Mortgagor shall give immediate notice thereof to Mortgagee if the cost to repair such damage or replace any portion of the Buildings or Fixtures which has been destroyed exceeds One Hundred Thousand Dollars (\$100,000) and, in every case, whether or not notice of the damage or destruction is required to be given to Mortgagee, Mortgagor promptly shall commence and diligently shall continue and complete the repair, restoration, replacement or rebuilding (hereinafter referred to as "Restoration") of the Buildings and the Fixtures so damaged, destroyed or injured substantially to their value, condition and character immediately prior to such damage, destruction or injury, in accordance with plans and specifications (bearing the signed approval of an architect reasonably satisfactory to Mortgagee and such approval shall not be unreasonably withheld or delayed) which shall have been approved by Mortgagee prior to the commencement of such Restoration or, Mortgagor, at Mortgagor's option, may elect not to undertake such Restoration and Mortgagor shall immediately provide written notice of such election to Mortgagee, in which event Mortgagee shall retain the Insurance Proceeds to be applied to payment of the Indebtedness then outstanding. Mortgagor diligently shall complete, and pay for the cost of, the Restoration of the Buildings and the Fixtures located on the Land which are at any time in the process of construction, alteration or Restoration. Notwithstanding any damage to, or destruction of, or injury to, the Buildings or the Fixtures or any portion thereof by fire or other casualty, Mortgagor shall continue to make all payments due under this Mortgage, the Loan Agreement and the other Loan Documents in accordance with the provisions of this Mortgage, the Loan Agreement and the applicable provisions of the other Loan Documents. Any Insurance Proceeds remaining after completion of such Restoration shall be retained by Mortgagee and shall be applied to the payment of the Indebtedness then outstanding, in such proportion and priority as Mortgagee, in its sole discretion, may elect.

(g) All Insurance Proceeds which are payable in connection with any damage to, or destruction of, or injury to, the Buildings or the Fixtures shall be paid

(i) to Mortgagee if equal to or in excess of One Hundred Thousand Dollars (\$100,000), or (ii) to Mortgagor, if less than One Hundred Thousand Dollars (\$100,000). If Mortgagee is entitled to collect Insurance Proceeds under clause (i) above, then Mortgagor shall not adjust, collect or compromise such claim without Mortgagee's prior written approval, which shall not be unreasonably withheld or delayed. Mortgagee agrees to cooperate with Mortgagor in connection therewith. In any case in which Mortgagee is entitled to collect Insurance Proceeds under clause (i) above, each insurer is hereby authorized and directed to make payment of any Insurance Proceeds under any policies of insurance, including the return of unearned premiums, directly to Mortgagee instead of to Mortgagor and Mortgagee jointly, and Mortgagee is hereby authorized to endorse any draft therefor as Mortgagor's attorney-in-fact. To the extent Mortgagee collects any Insurance Proceeds, as hereinabove provided, Mortgagee agrees to make the Insurance Proceeds or any portion thereof (after deducting therefrom all reasonable costs and expenses, including, but without limiting the generality of the foregoing, reasonable attorneys' fees, reasonable costs and disbursements, incurred by Mortgagee in connection with the collection thereof) available to Mortgagor, on such terms and conditions as Mortgagee, in its reasonable discretion, may specify, for the sole purpose of paying for the cost of Mortgagor's Restoration of the Buildings and the Fixtures so damaged, destroyed or injured, it being understood and agreed, however, that Mortgagee shall have no obligation whatsoever to see to the proper application of any Insurance Proceeds so paid to Mortgagor, provided, however, that if a Default shall have occurred and be then continuing, Mortgagee may retain such Insurance Proceeds, for application to payment of the Indebtedness then outstanding, or toward the cost of Restoration, in Mortgagee's sole and absolute discretion. Reduction of the outstanding amount of the Indebtedness resulting from the application of any such Insurance Proceeds to such Indebtedness by Mortgagee shall be deemed to take effect only on the date of Mortgagee's receipt of such Insurance Proceeds and its election to apply the same against the Indebtedness then outstanding hereunder. If, prior to the receipt by Mortgagee of any Insurance Proceeds, the Mortgaged Property or any portion thereof shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive the Insurance Proceeds to the extent of any deficiency found to be due upon such sale, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, together with interest thereon at the Interest Rate, and the reasonable attorneys' fees, reasonable costs and disbursements incurred by Mortgagee in connection with the collection of the Insurance Proceeds. Anything contained in any Legal Requirement or in this Mortgage to the contrary notwithstanding, Mortgagee shall not be deemed to be a trustee or other fiduciary with respect to its receipt of any Insurance Proceeds.

(h) The insurance required by this Mortgage may, at the option of Mortgagor, be effected by blanket and/or umbrella policies with reasonable deductibles as provided in the Loan Agreement, issued to Mortgagor covering the Buildings and the Fixtures as well as other properties (real and personal) which are owned or leased by Mortgagor, provided that, in each case, the policies otherwise comply with the provisions of this Mortgage and allocate to the Buildings and the Fixtures, from time to time, the coverage specified by Mortgagee, without possibility of reduction or coinsurance by reason of, or damage to, any other property (real or personal) named therein. If the insurance required by this Mortgage shall be effected by any such blanket or umbrella policies, Mortgagor shall furnish to Mortgagee original policies or duplicate originals thereof, with

schedules attached thereto showing the amount of the insurance provided under such policies which is applicable to the Buildings and the Fixtures.

(i) Any transfer of the Mortgaged Property, in accordance with the provisions hereof, including a transfer by foreclosure or deed in lieu of foreclosure, shall transfer therewith all of Mortgagor's interest in all insurance policies then covering the Buildings and the Fixtures or the operations conducted at the Real Estate, including, but without limiting the generality of the foregoing, any unearned premiums.

(j) Notwithstanding anything to the contrary contained in this Article 7, in the event of any conflict or inconsistency between the insurance provisions contained in this Article 7 and the insurance provisions contained in the Loan Agreement, the provisions of the Loan Agreement shall control to the extent of the conflict or inconsistency.

8. Condemnation/Eminent Domain: (a) Notwithstanding (i) any taking by eminent domain, condemnation or otherwise of all or any portion of the Mortgaged Property, or (ii) the change of grade of any street, road or avenue or the widening of streets, roads or avenues adjoining or abutting the Land, or (iii) any other injury to, or decrease in value of, the Mortgaged Property caused in any manner by any Governmental Authority (any of the foregoing being hereinafter referred to as a "Taking"), Mortgagor shall continue to make all payments due under this Mortgage and under the Loan Agreement and the other Loan Documents in accordance with the provisions of this Mortgage, the Loan Agreement and the applicable provisions of the other Loan Documents. Mortgagor shall notify Mortgagee immediately upon obtaining knowledge of the institution of any proceedings for any Taking or of any contemplated Taking. All Awards made in connection with any Taking shall be paid to Mortgagee free and clear of all liens and encumbrances. Mortgagee shall be entitled to the interest paid, rather than the Interest Rate, on any such Award or proceeds thereof for such Taking. If the amount of the Award exceeds One Hundred Thousand Dollars (\$100,000), then Mortgagor shall not settle or stipulate to any matter or agree to judgment, in any such proceedings with respect to a Taking without Mortgagee's prior written approval, which shall not be unreasonably withheld or delayed. Mortgagee agrees to cooperate with Mortgagor in connection therewith. In any case where Mortgagee is entitled to collect an Award under this Article 8, each Governmental Authority is hereby authorized and directed to make payment of any Award made in connection with any Taking directly to Mortgagee instead of to Mortgagor and Mortgagee jointly, and Mortgagee is hereby authorized to endorse any draft therefor as Mortgagor's attorney-in-fact. To the extent that Mortgagee collects any Award, as hereinabove provided, Mortgagee agrees to make the Award or any portion thereof (after deducting therefrom all reasonable costs and expenses, including, but without limiting the generality of the foregoing, reasonable attorneys' fees, reasonable costs and disbursements, incurred by Mortgagee in connection with the collection thereof), available to Mortgagor, on such terms and conditions as Mortgagee, in its reasonable discretion, may specify, for the sole purpose of paying for the cost of Mortgagor's Restoration of the Buildings and the Fixtures remaining after any such Taking, it being understood and agreed, however, that Mortgagee shall not have any obligation whatsoever to see to the proper application of any Award so paid to Mortgagor; provided, however, that if there shall have occurred any

Default which is then continuing, Mortgagee may retain such Award for application to payment of the Indebtedness then outstanding or toward the cost of Restoration, in Mortgagee's sole and absolute discretion. Reduction of the outstanding amount of the Indebtedness resulting from the application of any such Award by Mortgagee shall be deemed to take effect only on the date of Mortgagee's receipt of such Award and its election to apply the same against the Indebtedness then outstanding hereunder. If, prior to the receipt by Mortgagee of any Award, the Mortgaged Property or any portion thereof shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive the Award to the extent of any deficiency found to be due upon such sale, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, together with interest thereon at the Interest Rate, and the reasonable attorneys' fees, reasonable costs and disbursements incurred by Mortgagee in connection with the collection of the Award.

(b) If there shall be any Taking, then Mortgagor promptly shall commence and diligently shall continue and complete the Restoration of the Buildings and the Fixtures remaining after such Taking substantially to their value, condition and character immediately prior to such Taking, in accordance with plans and specifications which shall have been approved by Mortgagee prior to the commencement of such Restoration or, Mortgagor, at Mortgagor's option, may elect not to undertake such Restoration and Mortgagor shall immediately provide written notice of such election to Mortgagee, in which event Mortgagee shall retain the entire award to be applied to payment of the Indebtedness then outstanding. Mortgagor diligently shall complete, and pay for the cost of, the Restoration of any Buildings or Fixtures located on the Land which are at any time in the process of construction, alteration or Restoration. Any Award remaining after completion of such Restoration shall be retained by Mortgagee and shall be applied to the payment of the Indebtedness then outstanding, in such proportion and priority as Mortgagee, in its sole discretion, may elect.

9. Sale and Lease of Real Estate. Except to the extent provided in, or permitted by, the Loan Agreement, Mortgagor shall not, at any time, directly or indirectly (by operation of law or otherwise), without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld:

(a) sell, assign, transfer or convey all or any part of the Mortgaged Property or any interest therein; or

(b) lease or sublease the Real Estate or any portion thereof, except in accordance with the terms of Article 11 hereof; or

(c) (i) make any new or additional mortgage, deed of trust or other loan which is secured by the Mortgaged Property or any portion thereof (whether superior or junior to the lien of this Mortgage and whether recourse or nonrecourse) unless such loan is made by Mortgagee, as Lender, or (ii) except for the Permitted Encumbrances and subject to the provisions of Article 10 and Section 9.2(H) of the Loan Agreement hereof, otherwise create, grant, permit or suffer any lien, security interest, claim, charge or

encumbrance of any kind or nature whatsoever, whether recorded or unrecorded, against the Mortgaged Property or any portion thereof.

10. Discharge of Liens: Except as otherwise provided in, or permitted by, the Loan Agreement, Mortgagor at all times shall keep the Mortgaged Property free from the liens of mechanics, laborers, contractors, subcontractors and materialmen and, except for the Permitted Encumbrances and any new or additional mortgages which may be made to Mortgagee, free from any and all other liens, claims, charges or encumbrances of any kind or nature whatsoever. If any such liens, claims, charges or encumbrances shall be filed or recorded, Mortgagor shall forthwith deliver copies thereof to Mortgagee and, within fifteen (15) days after receiving notice (from Mortgagee or others) of such recording or filing, Mortgagor shall cause the same to be discharged of record by payment, bonding or in such other manner as shall be satisfactory to Mortgagee and shall exhibit to Mortgagee, upon demand, evidence satisfactory to Mortgagee of such discharge.

11. Leases and Operating Agreements. (a) Mortgagor has no right or power, as against Mortgagee, without the prior written consent of Mortgagee, which consent may be withheld for any reason, in each case (i) to enter into or modify, amend or cancel, any of the terms, covenants or conditions of any Leases or Operating Agreements, (ii) to consent to any assignment of any Lease or any subletting of the portion of the Real Estate subject to any Lease, (iii) to assign, mortgage or otherwise encumber any of the Leases or any of the Rents due or to become due thereunder or to which Mortgagee may now or hereafter become entitled, or (iv) to accept prepayments of installments of rent for more than thirty (30) days in advance of the time when the same shall become due or to anticipate the rents thereunder, except for security deposits not in excess of one (1) month's rent. Mortgagor shall notify Mortgagee not later than six (6) months prior to the date of the expiration of the term of any Lease of its intention either to renew or not renew any such Lease and if Mortgagor shall intend to renew the Lease, the terms and conditions of any such renewal Lease.

(b) In addition to containing such other terms and conditions as Mortgagee shall approve, each Lease which shall be entered into in accordance with the provisions hereof shall (i) not permit the lessee thereunder to terminate or invalidate the terms of its Lease as a result of any action taken by Mortgagee to enforce this Mortgage either by foreclosure, or acceptance of a deed in lieu of foreclosure, or by resort to any other rights or remedies available to Mortgagee hereunder or at law or in equity, (ii) include a subordination clause providing that the Lease and the interest of the lessee thereunder in the Mortgaged Property are in all respects subject and subordinate to this Mortgage, (iii) provide that, at the option of Mortgagee or the purchaser at a foreclosure sale or the grantee in a voluntary conveyance in lieu of foreclosure, the lessee thereunder shall attorn to Mortgagee or to such purchaser or grantee under all of the terms of the Lease and recognize such entity as the lessor under the Lease for the balance of the term of the Lease, and (iv) provide that, in the event of the enforcement by Mortgagee of the rights and remedies provided by law or in equity or by this Mortgage, any person succeeding to the interest of Mortgagee as a result of such enforcement shall not be bound by any prepayment of installments of rent for more than thirty (30) days in advance of the

time when the same shall become due or any amendment, modification, extension, cancellation or renewal of the Lease made without the prior written consent of Mortgagee.

(c) As to all Leases and Operating Agreements which shall be consented to by Mortgagee, Mortgagor shall (i) promptly perform all of the provisions of such Leases and Operating Agreements on its part to be performed, (ii) promptly enforce all of the provisions of such Leases and Operating Agreements on the part of the lessees and other parties thereunder to be performed, (iii) refrain from taking any action which would result in the termination of any Operating Agreement or the diminution of the Rents under Leases, (iv) appear in and prosecute or defend any action or proceeding arising under, growing out of, or in any manner connected with, the Leases or Operating Agreements to which it is a party, (v) exercise, within five (5) days after demand by Mortgagee, any right to request from the lessee under any Lease or other party to any Operating Agreement a certificate with respect to the status thereof, (vi) deliver to Mortgagee, within five (5) days after demand by Mortgagee, a written statement containing the names of all lessees, the terms of all Leases and the spaces occupied and rentals payable thereunder and a statement of all Leases which are then in default, including the nature and magnitude of any such default, (vii) provide Mortgagee with a copy of each notice of default received by Mortgagor under any Operating Agreement immediately upon receipt thereof and deliver to Mortgagee a copy of each notice of default sent by Mortgagor under any Operating Agreement simultaneously with its delivery of such notice, and (viii) promptly deliver to Mortgagee a fully executed counterpart of each Lease or Operating Agreement upon the execution of the same. All Leases, if any, shall be subject and subordinate to this Mortgage.

(d) Mortgagor hereby assigns to Mortgagee from and after the date hereof (including any period allowed by law for redemption after any foreclosure to other sale), primarily, on a parity with the Mortgaged Property, and not secondarily, as further security for the payment of the Indebtedness and the performance of the Obligations, the Leases and the Rents. Nothing contained in this Article 11 shall be construed to bind Mortgagee to the performance of any of the terms, covenants, conditions or agreements contained in any of the Leases or otherwise impose any obligation on Mortgagee (including, but without limiting the generality of the foregoing, any liability under the covenant of quiet enjoyment contained in any Lease in the event that any lessee shall have been joined as a party defendant in any action to foreclose this Mortgage or commenced by reason of a Default hereunder or in the event any lessee shall have been barred and foreclosed of any or all right, title and interest and equity of redemption in the Mortgaged Property), except that Mortgagee shall be accountable for any money actually received pursuant to the aforesaid assignment. Mortgagor hereby further grants to Mortgagee the right, but not the obligation (i) to enter upon and take possession of the Real Estate for the purpose of collecting the Rents, and/or exercising any rights or remedies under the Leases, (ii) to dispossess by the usual summary proceedings any lessee defaulting in making any payment due under any Lease to Mortgagee or defaulting in the performance of any of its other obligations under its Lease, (iii) to let the Real Estate or any portion thereof, (iv) to apply the Rents on account of the Indebtedness, and (v) to perform such other acts as Mortgagee is entitled to perform pursuant to this Article 11. Such assignment and grant shall continue in effect until the entire amount of the Indebtedness shall be paid in full and all of the

Obligations shall be fully performed in accordance with this Mortgage and the other Loan Documents, the execution of this Mortgage constituting and evidencing the irrevocable consent of Mortgagor to the entry upon and taking possession of the Real Estate by Mortgagee pursuant to such grant, whether or not an action to foreclose this Mortgage has been instituted and without applying for a receiver. Mortgagee, however, grants to Mortgagor, not as a limitation or condition hereof, but as a personal covenant available only to Mortgagor and its successors and not to any lessee or other person, a license, revocable upon five (5) days' written notice to Mortgagor, to collect all of the Rents and to retain, use and enjoy the same, unless a Default shall exist hereunder or unless any event shall have occurred which, with the giving of notice or the lapse of time, or both, would constitute a Default hereunder or, at Mortgagee's option, for any other reason whatsoever. In the event of any Default hereunder, Mortgagor shall pay monthly, in advance, to Mortgagee upon Mortgagee's entry into possession pursuant to the foregoing grant, or to any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of the Real Estate, and upon the failure of Mortgagor to make any such payment, Mortgagor shall vacate and surrender the possession of the Real Estate to Mortgagee or to such receiver, and upon Mortgagor's failure to so vacate and surrender, Mortgagor may be evicted by summary proceedings.

(e) Mortgagor shall receive the Rents as set forth in Paragraph 11(d) hereof and shall hold the Rents as a trust fund to be applied first to the payment of Impositions and then to the payment of the Indebtedness and, thereafter, to the payment of insurance premiums for policies required to be provided hereunder before using any part of the total of the same for any other purpose.

(f) Upon notice and demand, Mortgagor shall, from time to time, execute, acknowledge and deliver to Mortgagee, or shall cause to be executed, acknowledged and delivered to Mortgagee in form reasonably satisfactory to Mortgagee, one or more separate assignments (confirmatory of the general assignment provided in this Article 11) of the lessor's interest in any lease. Mortgagor shall pay to Mortgagee the reasonable expenses incurred by Mortgagee in connection with the preparation and recording of any such instrument.

(g) Mortgagor, at its sole cost and expense, will at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in the Operating Agreements, on the part of Mortgagor to be kept and performed thereunder. If Mortgagor shall commit a breach or default under the provisions of any Operating Agreement and such breach or default shall not have been cured within the cure period provided therefor (after required notices) under the applicable Operating Agreement, if any, then and in any such event, such breach or default shall constitute a Default, entitling Mortgagee to remedies upon Default as provided herein and by law.

12. Estoppel Certificates. Mortgagor, within fifteen (15) business days after request by Mortgagee, shall deliver, in form reasonably satisfactory to Mortgagee, in its sole discretion, a written statement, duly executed and acknowledged, setting forth the amount of the Indebtedness then outstanding and whether any offsets, claims, counterclaims

or defenses exist against the Indebtedness secured by this Mortgage, and if any are alleged to exist, the nature thereof shall be set forth in detail.

13. Expenses. Mortgagor shall pay all reasonable out-of-pocket expenses of Mortgagee in connection with the preparation of this Mortgage, the Loan Documents, and the Other Agreements (as such term is defined in the Loan Agreement) (including, without limitation, the reasonable fees and expenses of all of its counsel retained in connection with this Mortgage, the Loan Documents, the Other Agreements, and the transactions contemplated thereby). If, at any time or times, regardless of the existence of a Default or Event of Default (as hereinafter defined) (except with respect to subparagraphs (c) and (d) below, which shall be subject to a Default having occurred and be continuing), Mortgagee (and in the case of subparagraphs (b), (c) and (d) below, any Lender) shall employ counsel for advice or other representation or incur reasonable legal or other reasonable costs and expenses in connection with:

- (a) any amendment or modification of this Mortgage, any of the Loan Documents or the Other Agreements;
- (b) any litigation, contest, dispute, suit, proceeding or action (whether instituted by Mortgagee or any Lender, Mortgagor or any other Person, as that term is defined in the Loan Agreement) in any way relating to the Mortgaged Property; this Mortgage, any of the Loan Documents or the Other Agreements or any other agreements to be executed or delivered in connection herewith;
- (c) any attempt to enforce any rights of Mortgagee against Mortgagor or any other Person, including, without limitation, Account Debtors (as such term is defined in the Loan Agreement); that may be obligated to Mortgagee by virtue of any of the Loan Documents or the Other Agreements;
- (d) any attempt to verify, protect, collect, sell, liquidate or otherwise dispose of the Mortgaged Property;

then, and in any such event, such reasonable attorneys' fees, including those of any appellate proceedings, and all reasonable expenses, reasonable costs, charges and other fees incurred by such counsel or Mortgagee in any way or respect arising in connection with or relating to any of the events or actions described in this Article 13 shall be payable, on demand, by Mortgagor to Mortgagee and shall be additional Obligations secured under this Mortgage and the Loan Documents. Without limiting the generality of the foregoing, such reasonable expenses, reasonable costs, charges and fees may include: paralegal fees, costs and expenses, accountants' fees, costs and expenses, reasonable court costs and expenses, photocopying and duplicating expenses, court reporter fees, reasonable costs and expenses, long distance telephone charges, air express charges, telegram charges, secretarial overtime charges, and expenses for travel, lodging and food paid or incurred in connection with the performance of such legal services. Mortgagor shall also pay all filing, registration and recording fees and charges, documentary stamps, intangible taxes and all Federal, State, county and municipal taxes, duties, imposts, assessments and charges now or hereafter.

required by reason of, or in connection with, this Mortgage or any of the Loan Documents and, in any event, otherwise shall comply with the provisions set forth in Article 4 hereof.

14. Mortgagee's Right to Perform. In the event of any Default hereunder, Mortgagee may (but shall be under no obligation to), at any time perform the Obligations, without waiving or releasing Mortgagor from any Obligations or any Default under this Mortgage, and, in such event, the reasonable cost thereof, including, but without limiting the generality of the foregoing, reasonable attorneys' fees, reasonable costs and disbursements incurred in connection therewith (a) shall be deemed to be Indebtedness, (b) shall be a lien on the Mortgaged Property prior to any right or title to, interest in, or claim upon, the Mortgaged Property subordinate to the lien of this Mortgage, and (c) shall be payable, on demand, together with interest thereon at the Interest Rate, from the date of any such payment by Mortgagee to the date of repayment to Mortgagee. No payment or advance of money by Mortgagee pursuant to the provisions of this Article 14 shall cure, or shall be deemed or construed to cure, any such Default by Mortgagor hereunder or waive any rights or remedies of Mortgagee hereunder or at law or in equity by reason of any such Default.

15. Mortgagor's Existence. Mortgagor shall do all things necessary to preserve and keep in full force and effect its existence, franchises, rights and privileges under the laws of its State of incorporation and the laws of the State in which the Mortgaged Property is located and its right to own property and transact business in such States.

16. Mortgagee's Costs and Expenses. If (a) Mortgagor shall fail to make any payment of Indebtedness when the same shall be due and payable, or shall fail to perform any of the Obligations under this Mortgage or any other Loan Document, or (b) Mortgagee shall exercise any of its rights or remedies hereunder, or (c) any action or proceeding is commenced in which it becomes necessary to defend or uphold the lien or priority of this Mortgage or any action or proceeding is commenced to which Mortgagee is or becomes a party, or (d) the taking, holding or servicing of this Mortgage by Mortgagee is alleged to subject Mortgagee to any civil or criminal fine or penalty, or (e) Mortgagee's review and approval of any document, including, but without limiting the generality of the foregoing, any Lease, is requested by Mortgagor or required by Mortgagee, then, in any such event, all such reasonable costs, expenses and fees incurred by Mortgagee in connection therewith (including, but without limiting the generality of the foregoing, any civil or criminal fines or penalties and reasonable attorneys' fees, reasonable costs and disbursements) (i) shall be deemed to be Indebtedness, (ii) shall be a lien on the Mortgaged Property prior to any right or title to, interest in, or claim upon, the Mortgaged Property subordinate to the lien of this Mortgage, and (iii) shall be payable, on demand, together with interest thereon at the Interest Rate, from the date of any such payment by Mortgagee to the date of repayment. In any action to foreclose this Mortgage or to recover or collect the Indebtedness or any portion thereof, the provisions of this Article 16 with respect to the recovery of reasonable costs, expenses, disbursements and penalties shall prevail unaffected by the provisions of any Legal Requirement with respect to the same to the extent that the provisions of this Article 16 are not inconsistent therewith or violative thereof.

17. Defaults. (a) The occurrence of any one or more of the following events (regardless of the reason therefor) shall constitute a default ("Default") hereunder:

(i) the failure to make any payment of principal, interest, fees or premium or any other amount owing under the Loan Agreement when due and payable or declared due and payable whether by maturity or acceleration, which failure continues beyond any applicable grace period therefor set forth in the Loan Agreement; or

(ii) the failure to pay any other portion of the Indebtedness or the Obligations, as and when the same shall become due and payable whether by maturity or acceleration, which failure continues beyond any applicable grace period therefor set forth in the Loan Agreement; or

(iii) any default by Mortgagor in the due observance or performance of any of the terms, covenants or provisions contained in this Mortgage including, without limitation, Mortgagor's failure to comply with any of the provisions of Articles 3 or 9 hereof, which default continues for thirty (30) days after written notice thereof from Mortgagee to Mortgagor; provided, however, that such default cannot be cured within such thirty (30) day period despite all reasonable efforts of Mortgagor, then such thirty (30) day period shall be extended by an additional thirty (30) days or such longer period of time as is necessary to cure such default, so long as Mortgagor is proceeding diligently to cure such default; or

(iv) the occurrence of any Event of Default under (and as defined, and particularly described in) the Loan Agreement.

18. Remedies. (a) Upon the occurrence of any Default hereunder, Mortgagee may, without notice, presentment, demand or protest, all of which are hereby expressly waived by Mortgagor to the extent permitted by applicable law, take such action as Mortgagee deems advisable, in its sole discretion, to protect and enforce its rights in and to the Mortgaged Property, including, but without limiting the generality of the foregoing, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such manner as Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Mortgagee hereunder or at law or in equity:

(i) Mortgagee may declare the entire amount of the Indebtedness immediately due and payable. Thereupon, all of the other Obligations also shall become immediately due and payable.

(ii) Mortgagee may, without releasing Mortgagor from any Obligation under this Mortgage or any other Loan Document and without waiving any Default, exercise any of its rights and remedies under Article 14 hereof.

(iii) Mortgagee may (1) institute and maintain an action of mortgage foreclosure against any of the Mortgaged Property and against any of the property subject to any of the Additional Mortgages, (2) institute and maintain an action with respect to the Mortgaged Property under any other Loan Document, or (3) take such other action as may be allowed at law or in equity for the enforcement of this Mortgage, the Additional Mortgages and the other Loan Documents. Mortgagee may proceed in any such action to final judgment and execution thereon for the whole of the Indebtedness, together with interest thereon at the Interest Rate, from the date on which Mortgagee shall declare the same to be due and payable to the date of repayment, and all reasonable costs of any such action, including, but without limiting the generality of the foregoing, reasonable attorneys' fees, reasonable costs and disbursements.

(iv) Mortgagee may, without releasing Mortgagor from any obligation under this Mortgage, and without waiving any Default, enter upon and take possession of the Real Estate or any portion thereof, either personally or by its agents, nominees or attorneys, and dispossess Mortgagor and its agents and servants therefrom and, thereupon, Mortgagee may (1) use, manage and operate the Real Estate and the business conducted upon the Real Estate, and (2) exercise all rights and powers of Mortgagor with respect to the Mortgaged Property, either in the name of Mortgagor or otherwise, including, but without limiting the generality of the foregoing, the right to make, cancel, enforce or modify Leases, obtain and evict lessees, establish or change the amount of any Rents and the manner of collection thereof and perform any acts which Mortgagee deems proper, in its sole discretion, to protect the security of this Mortgage. After deduction of all reasonable costs and expenses of operating and managing the Real Estate, including, but without limiting the generality of the foregoing, reasonable attorneys' fees, costs and disbursements, administration expenses, management fees and brokers' commissions, satisfaction of liens on any of the Mortgaged Property, payment of Impositions, claims and Insurance Premiums, invoices of persons who may have supplied goods and services to or for the benefit of any of the Mortgaged Property and all reasonable costs and expenses of the maintenance, repair, Restoration, alteration or improvement of any of the Mortgaged Property, Mortgagee shall apply the Rents received by Mortgagee to payment of the Indebtedness or performance of the Obligations. Mortgagee may apply the Rents received by Mortgagee to the payment of any or all of the foregoing in such order and amounts as Mortgagee, in its sole discretion, may elect. Mortgagee may, in its sole discretion, determine the method by which, and extent to which, the Rents will be collected and the obligations of the lessees under the Leases enforced and Mortgagee may waive or fail to enforce any right or remedy of the lessor under any Lease.

(v) Mortgagee may disaffirm and cancel any Lease affecting the Real Estate or any portion thereof at any time during the period that it is

exercising its remedies under this Article 18, even though Mortgagee shall have enforced such Lease, collected Rents thereunder or taken any action that might be deemed by law to constitute an affirmation of such Lease. Such disaffirmance shall be made by notice addressed to the lessee at the Real Estate or, at Mortgagee's option, such other address of the lessee as may be set forth in such Lease.

(b) Upon the filing of any complaint to foreclose this Mortgage, the court in which such complaint is filed may, upon application of Mortgagee or at any time thereafter, either before or after foreclosure sale, and without notice to Mortgagor or to any party claiming under Mortgagor, without regard to the solvency or insolvency at the time of such application of any person then liable for payments of any of the indebtedness, without regard to the then value of the Real Estate, and without requiring any bond from the complainant in such proceedings, appoint a receiver for the benefit of Mortgagee (which may be Mortgagee), with power to take possession, charge, and control of the Mortgaged Property, including, without limitation, the Real Estate, to operate or lease the same, to keep the Real Estate insured and in good repair, and to collect any revenues of operation or Rents during the pendency of such foreclosure suit and, in case of foreclosure sale and a deficiency, during any period of redemption. The court may, from time to time, authorize said receiver to pay the net amounts remaining in said receiver's hands, after deducting reasonable compensation for the receiver and the receiver's counsel to be allowed by the court, to Mortgagee to be applied to the Indebtedness in accordance with the Loan Agreement. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure or by one or any sale, and may be foreclosed successively and in parts, until all of the Real Estate has been foreclosed against and sold.

(c) In the case of a sale pursuant to an order, decree or judgment of foreclosure, the Real Estate may, at Mortgagee's election, be sold in one (1) parcel. Mortgagee shall receive the proceeds of any such sale and shall apply the proceeds of such sale as follows, in the following order:

(i) to all reasonable costs, fees, charges and expenses incurred by Mortgagee in connection with any Default hereunder, the exercise of any of the rights and remedies of Mortgagee hereunder and any such sale, including, but without limiting the generality of the foregoing, reasonable attorneys' fees, reasonable costs and disbursements, receiver's fees, all expenses of such sale, including reasonable publication costs, stenographic charges, title searches and surveys, guarantee policies, Torrens certificates and documentary stamps and transfer taxes and recording fees and charges; and

(ii) to payment of outstanding Impositions; and

(iii) to payment of the amount of the Indebtedness then outstanding to Mortgagee and such other holders of instruments or agreements evidencing the Indebtedness, and performance of all of the other Obligations, in such

manner and order of priority or preference as Mortgagee may, in its sole discretion, determine; and

(iv) the balance, if any, to the persons legally entitled thereto.

(d) Upon the occurrence of any Default hereunder, Mortgagee may sell, assign, transfer and deliver the whole or, from time to time, any part of the Mortgaged Property, or any interest in any part thereof, at any private sale or at public auction, with or without demand, advertisement or notice of the time or place of sale or adjournment thereof, or otherwise, for cash, on credit or for other property, for immediate or future delivery, and for such price or prices and on such terms as Mortgagee in its uncontrolled discretion may determine, or as may be required by law.

(e) Upon the occurrence and during the continuation of a Default or an Event of Default, Mortgagor shall irrevocably appoint Mortgagee as true and lawful attorney of Mortgagor in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of this Mortgage, whether pursuant to foreclosure or power of sale or otherwise, to execute and deliver all such deeds, bills of sale, assignments and other instruments as Mortgagee may consider necessary or appropriate, with full power of substitution, Mortgagor hereby ratifying and confirming all that its said attorney or any attorney shall lawfully do by virtue hereof. Nevertheless, if so requested by Mortgagee or any purchaser, Mortgagor shall ratify and confirm any such sale, assignment, transfer or delivery by executing and delivering to Mortgagee or such purchaser all proper deeds, bills of sale, assignments, releases and other instruments as may be designated in any such request.

(f) Mortgagee may be a purchaser of the Mortgaged Property or of any part thereof or of any interest therein at any sale thereof, whether pursuant to foreclosure or power of sale or otherwise hereunder, and may apply upon the purchase price thereof any outstanding Indebtedness. Mortgagee shall, upon such purchase, acquire good title to the Mortgaged Property so purchased, free of the lien of this Mortgage and free of all rights of redemption in Mortgagor.

(g) Upon any sale of the Mortgaged Property or any part thereof or any interest therein, whether pursuant to foreclosure or power of sale or otherwise hereunder, the receipt of the officer making the sale under judicial proceedings or of Mortgagee shall be sufficient discharge to the purchaser for the purchase money and such purchaser shall not be obliged to see to the application thereof.

(h) Any sale of the Mortgaged Property or any part thereof or any interest therein, whether pursuant to foreclosure or power of sale or otherwise hereunder, shall forever be a perpetual bar against Mortgagor.

(i) Mortgagor shall bear all expenses, including without limitation reasonable attorneys' fees, reasonable costs and disbursements, of or incidental to, enforcement of any provision of this Mortgage or the Indebtedness and for the compromise,

curing, defending or asserting any provision, right or claim with respect thereto, by litigation or otherwise.

(j) The remedies and rights granted to Mortgagee hereunder are cumulative and are not in lieu of, but are in addition to, and shall not be affected by the exercise of, any other remedy or right available to Mortgagee whether now or hereafter existing either at law or in equity or under this Mortgage or any other Loan Document.

(k) To the extent provided in the Loan Agreement, Mortgagor shall indemnify and hold Mortgagee harmless and defend each such party from any loss, liability, cost and expense (including, without limitation, reasonable attorneys' fees and disbursements) and all claims, actions, proceedings and suits arising out of, or in connection with, any lawful action by Mortgagee to enforce this Mortgage or any Loan Document, whether or not any action, proceeding or suit is filed.

19. Security Agreement under Uniform Commercial Code. It is the intention of Mortgagor and Mortgagee that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code of the State in which the Mortgaged Property is located. Notwithstanding the filing of a financing statement covering any of the Mortgaged Property in the records normally pertaining to personal property, all of the Mortgaged Property, for all purposes in all proceedings, legal or equitable, shall be regarded, at Mortgagee's option (to the extent permitted by law), as part of the Real Estate whether or not any such item is physically attached to the Real Estate or serial numbers are used for the better identification of certain items. The mention in any such financing statement of any of the Mortgaged Property shall never be construed in any way as derogating from or impairing this declaration and hereby stated intention of Mortgagor and Mortgagee that such mention in the financing statement is hereby declared to be for the protection of Mortgagee in the event any court shall at any time hold that notice of Mortgagee's priority of interest, to be effective against any third party, including the Federal government or any authority or agency thereof, must be filed in the Uniform Commercial Code records. Pursuant to the provisions of the Uniform Commercial Code, Mortgagor hereby authorizes Mortgagee, without the signature of Mortgagor, to execute and file financing and continuation statements if Mortgagee shall determine, in its sole discretion, that such financing or continuation statements are necessary or advisable in order to preserve or perfect its security interest in the Fixtures covered by this Mortgage, and Mortgagor shall pay to Mortgagee, on demand, any expenses incurred by Mortgagee in connection with the preparation, execution and filing of such statements that may be filed by Mortgagee.

20. Additional Representations and Warranties. Mortgagor represents and warrants that: (a) Mortgagor is a corporation duly organized and validly existing and in good standing under the laws of the State of its incorporation; (b) Mortgagor is qualified to do business in the State in which the Mortgaged Property is located; (c) Mortgagor has the requisite power and lawful authority to execute and deliver this Mortgage, the Loan Agreement and the other Loan Documents executed and delivered by it and to perform the Obligations; (d) the execution and delivery of this Mortgage, the Loan Agreement and the other Loan Documents by Mortgagor and performance of its obligations under this

Mortgage, the Loan Agreement and the other Loan Documents will not result in Mortgagor being in default under any provision of its Certificate of Incorporation or By-Laws or of any mortgage, document, instrument, credit or other agreement to which it is a party or by which its assets are bound; (e) Mortgagor has the requisite power and lawful authority to mortgage the Mortgaged Property in the manner herein set forth; (f) the Board of Directors of Mortgagor has duly authorized the execution and delivery of this Mortgage, the Loan Agreement and the other Loan Documents and there is no provision in Mortgagor's Certificate of Incorporation or By-Laws requiring any other approvals or consents for the execution and delivery of this Mortgage, the Loan Agreement and the other Loan Documents; (g) on the date hereof, no portion of the Buildings or the Fixtures have been materially damaged, destroyed or injured by fire or other casualty which is not now fully restored; (h) Mortgagor has all necessary licenses, authorizations, registrations and approvals to own, use, occupy and operate the Real Estate and has full power and authority to carry on its business at the Real Estate as currently conducted and has not received any notice of any violation of any Legal Requirement except as disclosed in, or otherwise provided for, the Loan Agreement; (i) as of the date hereof, Mortgagor has not received any notice of any Taking of the Mortgaged Property or any portion thereof and Mortgagor has no knowledge that any such Taking is contemplated; (j) Mortgagor is a business and commercial organization, and the transaction reflected in, and effectuated by, the Loan Documents is made solely in connection with the business and commercial enterprise; and (k) there are no Leases affecting the Real Estate or any portion thereof, except as disclosed in the Loan Agreement.

21. No Waivers, Etc. A failure by 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 of the terms, covenants, conditions and provisions hereof and Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Mortgagor of any and all of the terms, covenants, conditions and provisions of this Mortgage to be performed by Mortgagor. Mortgagee may release, regardless of consideration and without the necessity for any notice to or consent by the holder of any subordinate lien on the Mortgaged Property, any part of the security held for payment of the Indebtedness or any portion thereof or for the performance of the Obligations secured by this Mortgage without, as to the remainder of the security, in any manner whatsoever, impairing or affecting the lien of this Mortgage or the priority of the lien of this Mortgage over any subordinate lien. Mortgagee may resort for the payment of the Indebtedness secured by this Mortgage to any other security therefor held by Mortgagee in such order and manner as Mortgagee may elect.

22. Trust Funds. All deposits made as security under any Leases shall be treated as trust funds, shall not be commingled with any other funds of Mortgagor and shall be held in accordance with the provisions of any other applicable Legal Requirements. Within ten (10) days after request by Mortgagee, Mortgagor shall furnish Mortgagee with evidence, satisfactory to Mortgagee, in its sole discretion, of compliance with this Article 22, together with a certified statement of the amount of all of the security deposited by lessees and copies of all Leases not theretofore delivered to Mortgagee.

23. Additional Rights. (a) Upon confirmation of a sale pursuant to any order, decree or judgment of foreclosure of this Mortgage, the appropriate governmental officer making such sale, or his successor in office, shall be and is hereby authorized immediately to execute and deliver to the purchaser at such sale, a deed, assignment or appropriate document conveying the Mortgaged Property to such purchaser. Upon the execution of such deed, assignment or appropriate document, the recitals therein of facts such as the terms of the sale, the sale, the purchase, payment of purchase money and other facts affecting the regularity or validity of such sale shall be conclusive proof of the truthfulness thereof, that such sale was regularly and validly made, and any such deed, assignment or appropriate document shall be conclusive against all persons as to all matters and facts recited therein.

(b) The holder of any subordinate lien on the Mortgaged Property shall have no right to terminate any Lease whether or not such Lease is subordinate to this Mortgage.

24. Waivers by Mortgagor. (a) Mortgagor hereby waives all errors and imperfections in any proceedings instituted by Mortgagee under this Mortgage, the Loan Agreement or any other Loan Document and all benefit of any present or future statute of limitations or any other present or future statute, law, stay, moratorium, appraisal or valuation law, regulation or judicial decision which shall Mortgagor at any time insist upon or plead, or in any manner whatsoever, claim or take any benefit or advantage of any such statute, law, stay, moratorium, regulation or judicial decision which (i) provides for the valuation or appraisal of the Mortgaged Property prior to any sale or sales thereof which may be made pursuant to any provision herein or pursuant to any decree, judgment or order of any court of competent jurisdiction, (ii) exempts any of the Mortgaged Property or any other property, real or personal, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale under execution, (iii) provides for homestead rights or exemptions or provides for any stay of execution, moratorium, marshalling of assets, exemption from civil process, reinstatement, redemption or extension of time for payment, (iv) requires Mortgagee to institute proceedings in mortgage foreclosure against the Mortgaged Property before exercising any other remedy afforded Mortgagee hereunder in the event of a Default, (v) affects any of the terms, covenants, conditions or provisions of this Mortgage, or (vi) conflicts with or may affect, in a manner which may be adverse to Mortgagee, any provision, covenant, condition or term of this Mortgage, the Loan Agreement or any other Loan Document, nor shall Mortgagor at any time after any sale or sales of the Mortgaged Property pursuant to any provision herein, including, but without limiting the generality of the foregoing, after any sale pursuant to a judgment of foreclosure, claim or exercise any right under any present or future statute, law, stay, moratorium, regulation or judicial decision to redeem the Mortgaged Property or the portion thereof so sold.

(b) Mortgagor hereby waives the right, if any, to require any sale to be made in parcels, or the right, if any, to select parcels to be sold, and there shall be no requirement for marshalling of assets.

(c) Mortgagor hereby waives any right to trial by jury.

25. Failure to Consent. Except as otherwise provided by the Loan Agreement, if Mortgagor shall seek the approval by, or the consent of, Mortgagee hereunder or under any other Loan Document, and Mortgagee shall fail or refuse to give such consent or approval, Mortgagor shall not be entitled to any damages for any withholding or delay of such consent by Mortgagee; it being intended that Mortgagor's sole remedy shall be to bring an action for an injunction or specific performance, which remedy of an injunction or specific performance shall be available only in those cases in which Mortgagee has expressly agreed hereunder or under any other Loan Documents not to unreasonably withhold or delay its consent or approval.

26. No Joint Venture or Partnership. Mortgagor and Mortgagee intend that the relationship created hereunder be solely that of mortgagor and mortgagee or borrower and lender, as the case may be. Nothing herein is intended to create a joint venture, partnership, tenancy-in-common, or joint-tenancy relationship between Mortgagor and Mortgagee nor to grant Mortgagee any interest in the Mortgaged Property other than that of mortgagee or lender.

27. Notice. All notices, requests and demands to or upon a party hereto to be effective shall be in writing and shall be sent or delivered to the appropriate party in the manner provided in Section 1216 of the County Recorder's Office.

28. Conflict with the Loan Documents. To the extent there shall be any conflict between the defined terms set forth herein and the defined terms set forth in any other Loan Document, then, the defined terms set forth in this Mortgage shall prevail with respect to this Mortgage. Subject to the foregoing, if there shall be any inconsistencies between the terms, covenants, conditions and provisions set forth in this Mortgage and the terms, covenants, conditions and provisions set forth in the Loan Agreement, then, unless this Mortgage expressly provides otherwise, the terms, covenants, conditions and provisions of the Loan Agreement shall prevail.

29. No Modification; Binding Obligations. This Mortgage may not be modified, amended, discharged or waived in whole or in part except by an agreement in writing signed by Mortgagor and Mortgagee. The covenants of this Mortgage shall run with the Land and shall bind Mortgagor and the heirs, distributees, personal representatives, successors and assigns of Mortgagor and all present and subsequent encumbrancers, lessees and sublessees of any of the Mortgaged Property and shall inure to the benefit of Mortgagee and its respective successors, assigns and endorsees.

30. Subrogation. To the extent that Mortgagee, after the date hereof, pays any sum due under any provision of law or any instrument or documents creating any lien prior or superior to the lien of this Mortgage, Mortgagee shall have and be entitled to a lien on the Mortgaged Property equal in priority to that discharged, and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence for the benefit of Mortgagee to secure the Indebtedness. Mortgagee shall be subrogated, notwithstanding its release of record; to mortgages, trust deeds, superior titles, vendor's liens, liens, charges,

encumbrances, rights and equities on the Mortgaged Property to the extent that any obligation under any thereof is paid or discharged with proceeds of disbursements or advances under any instrument evidencing the Indebtedness.

31. No Merger. Unless Mortgagee shall otherwise expressly consent beforehand in writing, the fee title to any part of the Real Estate demised by any lease and the leasehold estates thereunder shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates either in the lessor or in the lessee, or in a third party by purchase or otherwise, and in the event the owner or holder of the leasehold estate created by any such lease becomes the owner of the fee title to the property demised thereby, this Mortgage, without further act, deed, conveyance, mortgage, deed of trust or other assurance on behalf of said owner or holder, shall be deemed to have covered and spread to the fee estate of the property demised thereby and in the event thereof, upon request of Mortgagee without cost or expense to Mortgagee or any other secured party, the then owner or holder of said lease will execute, acknowledge and deliver all and every such further acts, conveyances, deeds, mortgages, deeds or trust and assurances as Mortgagee shall reasonably require for purposes of accomplishing the subjection of the fee estate to this Mortgage and the spread of this Mortgage thereto.

32. No Liability on Mortgagee. Notwithstanding anything contained herein, this Mortgage is only intended as security for the Indebtedness and Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor under or pursuant to any of the Mortgaged Property, and except as otherwise provided by the Loan Agreement, Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under any of the Mortgaged Property or under or by reason of their exercise of rights hereunder and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Mortgaged Property. Mortgagee shall not have responsibility for the control, care, management or repair of the Mortgaged Property nor shall Mortgagee be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any licensee, employee, tenant or stranger. Except as otherwise provided by the Loan Agreement, no liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Except as otherwise provided by the Loan Agreement, should Mortgagee incur any such liability, loss or damage, under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the amount thereof, including, without limitation, reasonable costs, expenses and reasonable attorneys' fees. Notwithstanding anything to the contrary contained in this Article 32, the provisions of this Article 32 shall not apply to Mortgagee's gross negligence or willful misconduct.

33. Permitted Acts. Mortgagor agrees that, without affecting or diminishing in any way the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of the Indebtedness or for performance of the

Obligations, Mortgagee may at any time and from time to time, without notice to or consent of any person, release any person liable for payment of the Indebtedness or for performance of the Obligations; extend the time or agree to alter the terms of payment for the Indebtedness; modify or waive any Obligation; subordinate, modify or otherwise deal with the lien hereof; accept additional security of any kind; release any Mortgaged Property or other property securing the Indebtedness; make releases of any portion of the Real Estate; consent to the making of any map or plat of the Real Estate, the creation of any easements thereon or any covenants restraining use of occupancy thereof; or exercise or refrain from exercising or waive any right Mortgagee may have.

34. Care by Mortgagee. Mortgagee shall be deemed to have exercised reasonable care in the custody and preservation of any of the Mortgaged Property in its possession if it takes such action for that purpose as Mortgagor requests in writing, but failure of Mortgagee to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of Mortgagee to preserve or protect any rights with respect to such Mortgaged Property against prior parties, or to do any act with respect to the preservation of such Mortgaged Property not so requested by Mortgagor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Mortgaged Property.

35. Defeasance. Upon the full and complete payment and satisfaction of the Indebtedness, in accordance with the terms at the times and in the manner provided in the Loan Agreement, this conveyance shall be null and void and following such payment and satisfaction an appropriate instrument of reconveyance or release shall promptly be made by Mortgagee to Mortgagor, at Mortgagor's expense.

36. Miscellaneous. The Article headings in this Mortgage are used only for convenience and are not part of this Mortgage and are not to be used in determining the intent of the parties or otherwise in interpreting this Mortgage. As used in this Mortgage, the singular shall include the plural, the plural shall include the singular and the use of any gender shall be applicable to all genders, as the context requires; and the following words and phrases shall have the following meanings: (a) "provisions" shall mean "provisions, terms, covenants and/or conditions"; (b) "lien" shall mean "lien, charge, encumbrance, security interest, mortgage and/or deed of trust"; (c) "obligation" shall mean "obligation, duty, covenant and/or condition"; (d) "any of the Mortgaged Property" shall mean "the Mortgaged Property or any portion thereof or interest therein"; and (e) "Person" shall mean "any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, institution, public benefit corporation, entity or government (whether federal, state, county, city, municipal or otherwise, including, but without limiting the generality of the foregoing, any instrumentality division, agency, body or department thereof)". Any act which Mortgagee is permitted to perform under this Mortgage, the Loan Agreement or any other Loan Document may be performed at any time and from time to time by Mortgagee or by any person or entity designated by Mortgagee. Any act which is prohibited to Mortgagor under this Mortgage, the Loan Agreement or any other Loan Document is also prohibited to all lessees of any of the Mortgaged Property. Each appointment of Mortgagee as attorney-in-fact for Mortgagor under this Mortgage, the Loan Agreement or any other Loan Document shall be

irrevocable as long as any of the Indebtedness shall remain unpaid or any of the Obligations remain to be performed and shall be deemed to be coupled with an interest. Unless otherwise provided herein or by any other Loan Document, Mortgagee shall have the right to refuse to grant its consent, approval or acceptance or to indicate its satisfaction whenever such consent, approval, acceptance or satisfaction shall be required under any of the Loan Documents.

37. Choice of Law. This Mortgage was negotiated in Illinois, and made by Mortgagor and accepted by Mortgagee in the State of Illinois, and the proceeds of the Loan secured hereby were disbursed from Illinois, which State the parties agree has a substantial relationship to the parties and to the underlying transaction embodied hereby, and in all respects, including, without limiting the generality of the foregoing, matters of construction, validity and performance, this Mortgage and the Obligations arising hereunder shall be governed by, and construed in accordance with, the laws of the State of Illinois applicable to contracts made and performed in such State, without regard to the principles thereof regarding conflicts of laws; and any applicable laws of the United States of America, except with respect to the provisions hereof which relate to realizing upon the security covered by this Mortgage which shall be governed by the State in which the Mortgaged Property is located, it being understood that, to the fullest extent permitted by the law of such State, the law of the State of Illinois shall govern the validity and enforceability of all Loan Documents, and the Indebtedness or Obligations arising hereunder. Whenever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remaining provisions of this Mortgage. Nothing in this Mortgage or in any other Loan Documents shall require Mortgagor to pay, or Mortgagee to accept, interest in an amount which would subject Mortgagee to penalty under applicable law. In the event that the payment of any interest due hereunder or under any of the other Loan Documents or a payment which is deemed interest, exceeds the maximum amount payable as interest under the applicable usury laws, such excess amount shall be applied to the reduction of the Indebtedness, and upon payment in full of the Indebtedness, shall be applied to the performance of the Obligations, and upon performance in full of the Obligations, shall be deemed to be a payment made by mistake and shall be refunded to Mortgagor.

38. Receipt of Copy. Mortgagor acknowledges that it has received, without charge, a true copy of this Mortgage, and has fully examined executed counterparts of the other Loan Documents.

39. Indiana Local Law.

(a) Any provisions in this Mortgage to the contrary notwithstanding, to the extent the laws of the State of Indiana limit (i) the availability of the exercise of any of the remedies set forth herein or (ii) the enforcement of waivers and indemnities made by Mortgagor, such remedies, waivers, or indemnities shall be exercisable or enforceable if, and to the extent, permitted by the laws in force at the time of the exercise of such remedies or the enforcement of such waivers or indemnities without regard to the

enforceability of such remedies, waivers or indemnities at the time of the execution and delivery of this Mortgage.

(b) Anything contained in Indiana Code 32-8-16-1.5 to the contrary notwithstanding, no waiver made by Mortgagor in this Mortgage or in any of the other terms and provisions of the Loan Documents shall constitute the consideration for or be deemed to be a waiver or release by Mortgagee or any judgment holder of the indebtedness or obligations hereby secured of the right to seek a deficiency judgment against the Mortgagor or any other person or entity who may be personally liable for the indebtedness or obligations hereby secured, which right to seek a deficiency judgment is hereby reserved, preserved and retained by Mortgagee for its own behalf and its successors and assigns.



IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed and acknowledged under seal the day and year first above written.

MORTGAGOR:

U.S. REDUCTION CO.,
a Delaware corporation

By: *Bradley E. Ronco*
Name: Bradley E. Ronco
Title: Vice President

Attest: *Paul Butcher*
Name: O'Merial Butcher
Title: Assistant Secretary

(AFFIX CORPORATE SEAL)



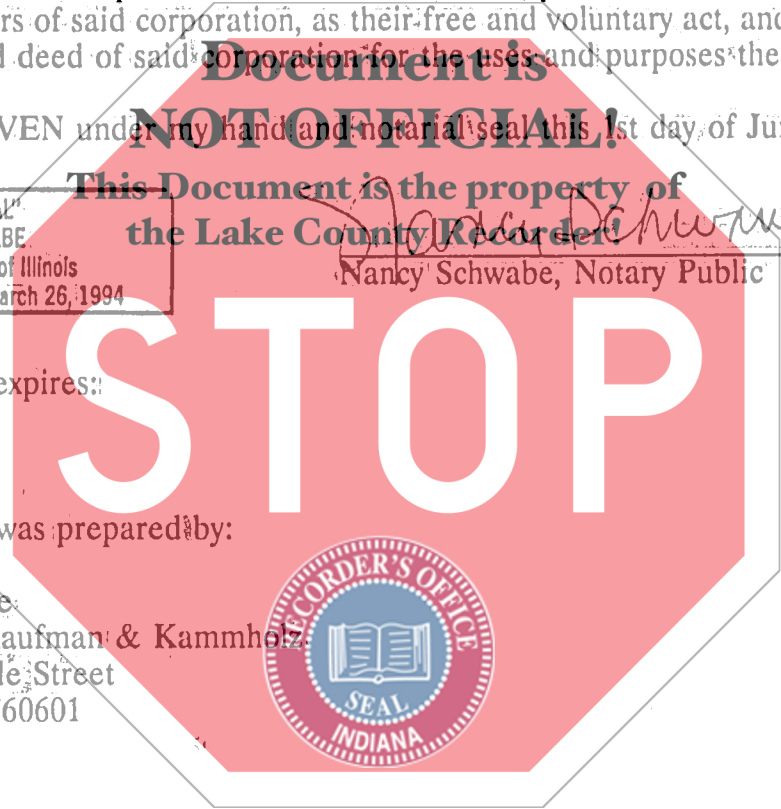
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a notary public in and for said County, in the state aforesaid, DO HEREBY CERTIFY THAT Bradley E. Ronco, personally known to me to be the Vice President of U.S. Reduction Co., a Delaware corporation and O'Merrial Butchee, personally known to me to be the Assistant Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Vice President and Assistant Secretary, they signed and delivered the said instrument as Vice President and Assistant Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 1st day of June, 1992.

"OFFICIAL SEAL"
NANCY SCHWABE
Notary Public, State of Illinois
My Commission Expires March 26, 1994

This Document is the property of
the Lake County Recorder
Nancy Schwabe
Nancy Schwabe, Notary Public



My commission expires:
March 26, 1994

This instrument was prepared by:

John T. McEnroe
Vedder, Price, Kaufman & Kammholz
222 North LaSalle Street
Chicago, Illinois 60601
(312) 609-7500

EXHIBIT A

PLANT NO. 1

PARCEL 1: LOTS 1 TO 14, BOTH INCLUSIVE, TOGETHER WITH THE VACATED NORTH AND SOUTH ALLEY ADJOINING AND LYING BETWEEN LOTS 1 TO 7, BOTH INCLUSIVE, AND LOTS 8 TO 14, BOTH INCLUSIVE, AND ALSO THE EAST HALF OF THAT PART OF VACATED MELVILLE AVENUE, LYING WEST OF AND ADJOINING LOTS 8 TO 14, BOTH INCLUSIVE, AS MARKED AND LAID DOWN ON THE RECORDED PLAT OF SUBDIVISION OF LOT 13, BLOCK 8, IN THE SUBDIVISION OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE 2ND P. M., IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA, AS SHOWN IN PLAT BOOK 6, PAGE 37, IN LAKE COUNTY, INDIANA.

PARCEL 2: PLAT OF U. S. REDUCTION COMPANY'S BLOCK "A", BEING A CONSOLIDATION OF LOTS 1 TO 18, BOTH INCLUSIVE, AND THE HERETOFORE VACATED 16 FOOT EAST AND WEST ALLEY, IN BLOCK 7, SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE 2ND P. M., ALSO LOTS 1 TO 16, BOTH INCLUSIVE, AND LOT 18, TOGETHER WITH THE 16 FOOT EAST AND WEST ALLEY HERETOFORE VACATED IN BLOCK 6, SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE 2ND P. M., ALSO THE PART OF ALEXANDER AVENUE HERETOFORE VACATED, EXTENDING FROM THE NORTH LINE OF CHICAGO AVENUE TO THE SOUTH RIGHT OF WAY LINE OF THE B. AND O. C. T. RAILROAD AND LYING BETWEEN SAID BLOCKS 6 AND 7, ALL IN THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA, AS SHOWN IN PLAT BOOK 23, PAGE 64, IN LAKE COUNTY, INDIANA, ALSO THE WEST HALF OF THAT PART OF VACATED MELVILLE AVENUE LYING EAST OF AND ADJOINING THE NORTH 183.5 FEET OF SAID PLAT OF U. S. REDUCTION COMPANY'S BLOCK "A", EXCEPT THE SOUTH 44 FEET OF THE WEST 225 FEET OF THE EAST 300 FEET THEREOF.

PARCEL 3: LOTS 3 TO 12, BOTH INCLUSIVE, BLOCK 8, SUBDIVISION OF PART OF THE SOUTHWEST QUARTER OF SECTION 28, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE 2ND P. M., IN THE CITY OF EAST CHICAGO, AS SHOWN IN PLAT BOOK 2, PAGE 25, IN LAKE COUNTY, INDIANA, AND ALSO THE VACATED EAST AND WEST ALLEY LYING NORTH OF SAID LOTS 3 TO 12, BOTH INCLUSIVE.

~~(See Attached)~~

EXHIBIT B

Those exceptions to title as set forth in the Chicago Title Insurance Company Insurance Commitment Number 04-59-393, effective date May 14, 1992, as well as any railroad sidetrack agreements, if any.

