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Easement Agreement

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THIS EASEMENT AGREEMENT is made as of the 27 day of July, 1993, by and between WESTERN STEEL GROUP, INC., a Delaware corporation having an address at c/o Thomas A. St. Marie, 1000 Lorain County Bank Building, Elyria, Ohio 44035 ("Western") and REPUBLIC ENGINEERED STEELS, INC., a Delaware corporation having an address at 410 Oberlin Road, S.W., Massillon, Ohio 44648 ("Republic").

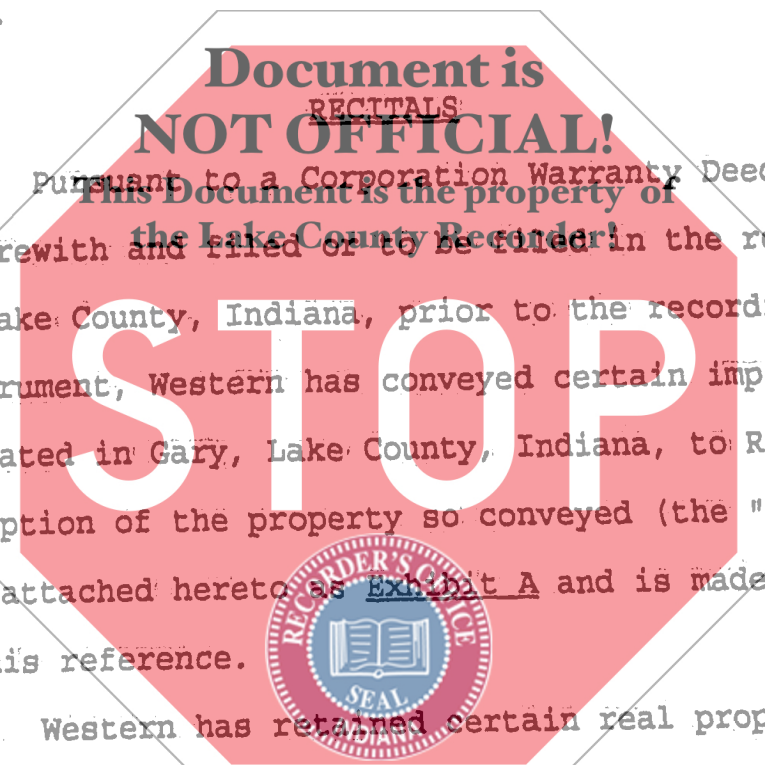
STATE OF INDIANA/S.S.NO.
LAKE COUNTY
FILED FOR RECORDS

AUG 13 12 59 PM '93
SARAH L. CULLIN
RECORDER

A. Pursuant to a Corporation Warranty Deed dated even date herewith and filed or to be filed in the real property records of Lake County, Indiana, prior to the recording therein of this instrument, Western has conveyed certain improved real property located in Gary, Lake County, Indiana, to Republic. A legal description of the property so conveyed (the "Republic Parcel") is attached hereto as Exhibit A and is made a part hereof by this reference.

B. Western has retained certain real property adjacent to the Republic Parcel. A legal description of the property so retained (the "Western Parcel") is attached hereto as Exhibit B and is made a part hereof by this reference.

C. Certain railroad tracks (the "Tracks") serving improvements located upon the Republic Parcel are located upon the Western Parcel.



FILED

AUG 12 1993

Anna N. Anton
AUDITOR LAKE COUNTY

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D. Republic and Western have reached agreement on the terms and conditions under which Western shall grant, and Republic shall use, certain easements.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Western and Republic agree as follows:

1. Grant of Easements.

(a) Western hereby grants to Republic, and its successors and assigns, an exclusive and perpetual easement on, over and across those portions of the Western Parcel on which the Tracks are presently situated, for the construction, installation, maintenance, repair and replacement of the Tracks and any future rail-spurs or other tracks reasonably deemed by Republic to be necessary or appropriate, from time to time, to provide the Republic Parcel with rail service of substantially the same nature and quality as that which is available by virtue of the Tracks presently in existence (provided that no such future rail-spurs or other tracks shall significantly and materially affect the use of the Western Parcel), and for access, ingress and egress by rail from the Republic Parcel to the point at which the Tracks (or any such future tracks) connect with the right-of-way of the railway providing service over the same.

(b) Western hereby grants to Republic, and its successors and assigns, a perpetual, non-exclusive easement on and over the Western Parcel and any and all ditches, culverts,

and drainage facilities located thereon for the purpose of permitting the drainage of surface water from the Republic Parcel.

2. Use of the Tracks. Republic agrees that it shall permit Western and its successors and assigns access across the Tracks (and any future tracks which may be installed as aforesaid) at all reasonable times and from time to time, provided (a) that Republic may require Western to cross the Tracks (or any future tracks) only at reasonably designated locations which shall not significantly and materially affect or limit the use of the Western Parcel; (b) that Republic may require Western to erect (at no cost to Republic) grade-crossings or other improvements to facilitate its safe and proper exercise of the right to cross any such tracks; (c) that Western shall not obstruct any Tracks (or future tracks) or interfere in any way with the rail service to the Republic Parcel in the exercise of its rights hereunder; and (d) that Western shall indemnify and hold Republic harmless of and from any and all liability, loss, damage, cost or expense arising in connection with any damage to property or injury (including death) to any person in connection with the crossing of the Tracks (or any future tracks).

3. Prohibition of Liens. Republic shall not suffer or permit any mechanic's, materialman's or other statutory lien to exist upon the Western Parcel by reason of any act or obligation of Republic, and, in the event of the filing of any such lien against the Western Parcel, shall cause the same to be released,

discharged or bonded within thirty (30) days after the recording thereof.

4. Covenants Running with the Land. The easements set forth herein shall create servitudes and benefits pertaining to the Western Parcel and the Republic Parcel, respectively, and shall run with the land of such respective parcels (and any portion or portions thereof). This Easement Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

5. Miscellaneous. This Agreement shall be governed by and construed in accordance with the laws of the State of Indiana. Except where the context hereof does not permit, each successor in interest to each of Republic and Western with respect to such parties' respective Parcels is deemed included with respect to each reference to Republic or Western, as the case may be.

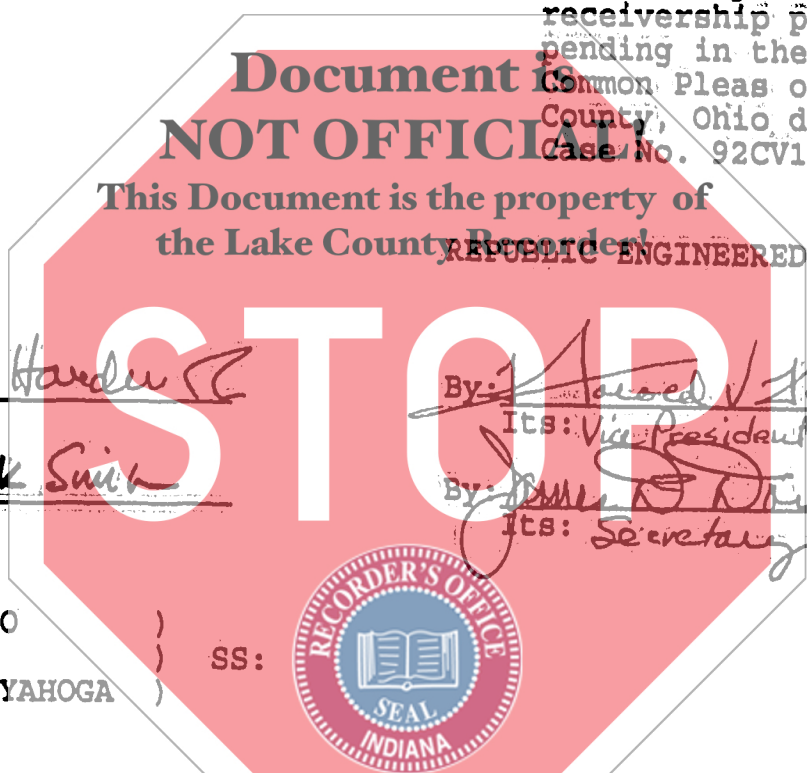
6. Execution by Receiver. This instrument is executed for and on behalf of Western by Thomas A. St. Marie, as Receiver for the assets of Western pursuant to legal proceedings now pending in the Court of Common Pleas of Judge Edward M. Zaleski, of Lorain County, Ohio, designated as Case No. 92CV109036, in connection with the conveyance to Republic of the Republic Parcel and certain other assets pursuant to Court Order authorizing the private sale of such assets, which order was signed by Judge Edward M. Zaleski entered on June 7, 1993.

IN WITNESS WHEREOF, Western and Republic have caused this Easement to be executed this 27th day of July, 1993.

Signed and acknowledged in the presence of:

Charles W. Harder
William K. Smith

WESTERN STEEL GROUP, INC.
By: Thomas A. St. Marie
Thomas A. St. Marie,
Receiver, pursuant to
receivership proceedings
pending in the Court of
Common Pleas of Lorain
County, Ohio designated
Case No. 92CV109036



REPUBLIC ENGINEERED STEELS, INC.

Charles W. Harder
William K. Smith

By: James V. Kelly
Its: Vice President + General Counsel
By: James R. Duvola
Its: Secretary

STATE OF OHIO)
COUNTY OF CUYAHOGA) SS:



Personally appeared before me, a Notary Public in and for the County aforesaid, Thomas A. St. Marie, who, under oath, affirmed that he is the fully appointed and constituted Receiver of the assets of Western Steel Group, Inc. pursuant to receivership proceedings now pending in the Court of Common Pleas in and for the county of Lorain, State of Ohio, as Case No. 92CV109036, that he has full power and authority as Receiver to execute this instrument, which power and authority has been given by Court Order, which has not been modified, abridged, revoked, changed or amended, and that he executes this Easement for and on behalf of the Western Steel Group, Inc., as its voluntary act and deed.

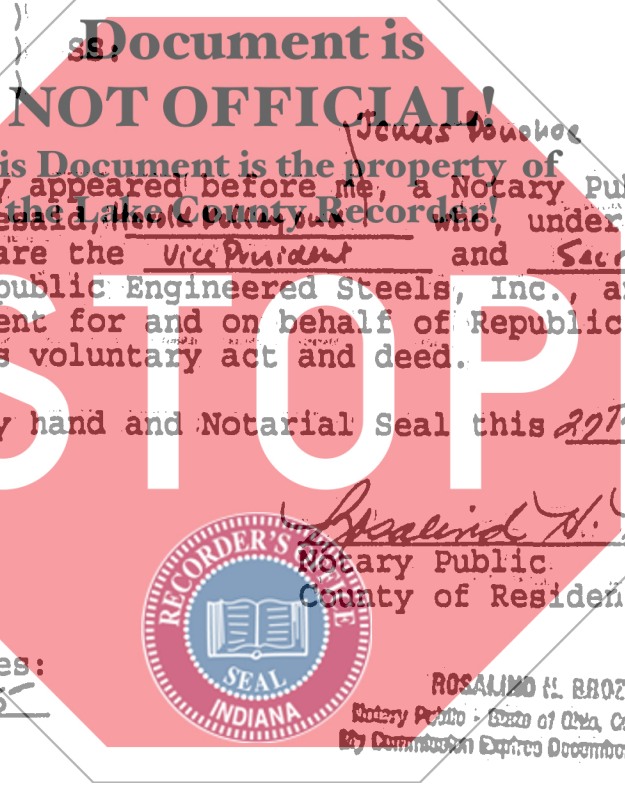
Witness my hand and Notarial Seal this 27th day of July, 1993.

Rosalind H. Broz
Notary Public
County of Residence: Cuyahoga

My Commission Expires:
December 17, 1995

ROSALIND H. BROZ
Notary Public - State of Ohio, Cuyahoga Co.
My Commission Expires December 17, 1995

STATE OF OHIO
COUNTY OF CUYAHOGA



Personally appeared before me, a Notary Public in and for the County aforesaid, Jones Pouchoc who, under oath, affirmed that they are the Vice President and Secretary, respectively, of Republic Engineered Steels, Inc., and that they executed this Easement for and on behalf of Republic Engineered Steels, Inc., as its voluntary act and deed.

Witness my hand and Notarial Seal this 27th day of July, 1993.

Rosalind H. Broz
Notary Public
County of Residence: Cuyahoga

My Commission Expires:
December 17, 1995

ROSALIND H. BROZ
Notary Public - State of Ohio, Cuyahoga Co.
My Commission Expires December 17, 1995

This Instrument Prepared By:
W.K. Smith, Esq.
Jones, Day, Reavis & Pogue
901 Lakeside Avenue
Cleveland, Ohio 44114
(216) 586-3939

EXHIBIT A

Description of the "Republic Parcel"

40-17-33

Part of the South one-half Section 1, Township 36 North, Range 8 West of the 2nd P.M., in the City of Gary, Lake County, Indiana, Beginning at the point of intersection of a line 200 feet East of the North-South centerline of said Section 1 with the Southerly line of the former right-of-way of Lake Shore and Michigan Southern-Railroad and also the Northerly line of 7th Avenue as opened by the Board of Public Works of the City of Gary by Confirmatory Resolution 3581, adopted May 5, 1924. Said point of beginning also being on the Westerly line of Glen L. Ryan's Second Subdivision as recorded in Plat Book 30 page 240, in the Office of the Recorder of Lake County, Indiana; thence North 00°00'31" East parallel to the North-South center line of said Section 1 and along the West line of Glen L. Ryan's Second Subdivision, 940.80 feet; thence South 89°56'13" West, 705.11 feet; thence South 00°00'35" East, 425.43 feet; thence South 33°25'04" East, 38.71 feet; thence North 85°29'41" East, 79.37 feet; thence South 00°01'30" East, 468.49 feet more or less to the Northerly line of said 7th Avenue; thence Easterly along a curve to the left with a radius of 5775.65 feet a chord of 604.61 feet, a chord bearing of South 88°04'29" East, an Arc distance of 604.89 feet more or less to the point of beginning, containing 14.025 acres more or less.



EXHIBIT B, DESCRIPTION OF THE
"WESTERN PARCEL", Page 1

40-17-21

Parcel 1: ALL that part or portion of that certain tract of land hereinafter specifically set forth and described that lies to the West of a certain line running North and South through said tract and parallel to the North and South center line of Section 1, Township 36 North, Range 8 West of the Second Principal Meridian, in the City of Gary, Lake County, Indiana, and located two hundred feet (200') East of said North and South center line, said specifically described tract of land being as follows, to-wit:

ALL that part of the South 1/2 Sec. 1, Twp. 36 N., Range 8 W., of the 2nd P.M., in Gary, Lake County, Indiana, described as follows: Beginning on the East line of said Sec. 1, 800.5 feet North of the southeast corner of said Sec. 1, said point being on the southerly line of the former right of way of Lake Shore & Michigan Southern Railway; thence southwesterly along said right of way at an angle of 72 degrees 44 minutes with said East line of Sec. 1, 886.6 feet, to a point of curve of 577.5 feet radius; thence to the right of said curve 1838.25 feet, more or less to the North and South Center line of said Sec. 1; thence continuing to the right along said curve 921.0 feet, more or less to the northwesterly line of the highway opened by the Board of Public Works of the City of Gary by confirmatory resolution #3581, adopted May 5, 1924, (said line just above described being the South line of the tract of land herein described and also being the same as, and identical with, the North right of way line of the road running along the South side of the tract hereindescribed and known as Seventh Avenue, Gary, Indiana, and also being the same as and identical with the southerly line of the former right of way of Lake Shore & Michigan Southern Railway); thence northeasterly along said Highway line produced 33.5 feet; thence northeasterly at an angle of 3 degrees 50 minutes to the left with the last described line produced 124.57 feet; thence northerly at an angle of 49 degrees 33 minutes 18 seconds to the left with the last described line produced 110 feet; thence northerly at an angle of 7 degrees 46 minutes 12 seconds to the left with the last described line produced and on a line parallel with the North and South Center line of said Sec. 1, 1782.1 feet, more or less, to the southerly line of a parcel of land conveyed by Gary Land Company to New York Central Railroad by Deed dated June 24, 1927, and recorded in Deed Record 404, page 40, in the Lake County, Indiana, Recorder's Office; thence easterly along the southerly line of said parcel 2112.58 feet, to the southeasterly corner of said parcel; thence North along the East line of said Parcel 100.85 feet to the southerly line of the right of way of Baltimore & Ohio Railroad; thence southerly along the southerly line of the B & O Railroad 1339.37 feet, more or less to the East line of said Section 1; thence South along the East line of said Section, 1191.83 feet, more or less, to the place of beginning;

LESS AND EXCEPT THE FOLLOWING-DESCRIBED PORTIONS OF SUCH PROPERTY:

Exception Parcel One :

Part of the South one-half Section 1, Township 36 North, Range 8 West of the 2nd P.M., in the City of Gary, Lake County, Indiana, Beginning at the point of intersection of a line 200 feet East of the North-South centerline of said Section 1 with the Southerly line of the former right-of-way of Lake Shore and Michigan Southern-Railroad and also the Northerly line of 7th Avenue as opened by the Board of Public Works of the City of Gary by Confirmatory Resolution 3581, adopted May 5, 1924. Said point of beginning also being on the Westerly line of Glen L. Ryan's Second Subdivision as recorded in Plat Book 30 page 240, in the Office of the Recorder of Lake County, Indiana; thence North $00^{\circ}00'31''$ East parallel to the North-South center line of said Section 1 and along the West line of Glen L. Ryan's Second Subdivision, 940.80 feet; thence South $89^{\circ}56'08''$ West, 705.13 feet; thence South $00^{\circ}00'35''$ East, 425.13 feet; thence South $33^{\circ}29'04''$ East, 38.71 feet; thence North $85^{\circ}29'41''$ East, 79.37 feet; thence South $00^{\circ}01'30''$ East, 468.49 feet more or less to the Northerly line of said 7th Avenue; thence Easterly along a curve to the left with a radius of 5775.65 feet a chord of 604.61 feet, a chord bearing of South $88^{\circ}04'29''$ East, an Arc distance of 604.89 feet more or less to the point of beginning, containing 14.025 acres more or less.



Exception Parcel Two:

BEGINNING at the intersection of the southerly line of the former right of way of the Lake Shore & Michigan Southern Railway with the Northwestern line of the Highway opened by the Board of Public Works of the City of Gary, Indiana, by Confirmatory Resolution No. 3581, adopted May 5, 1924; thence northeasterly along said Highway line produced 33.5 feet; thence northeasterly at an angle of 3 degrees 50 minutes to the left with the last described line produced 124.57 feet; thence northerly at an angle of 49 degrees 33 minutes 18 seconds to the left with the last described line produced 110 feet; thence northerly at an angle of 7 degrees 46 minutes 12 seconds to the left with the last described line produced and on a line parallel with the North and South center line of said Section 1, 125 feet; thence East at right angles to the last described line 80 feet; thence South and parallel with the North and South Center line of Section 1 to the southerly line of the former right of way of the Lake Shore & Michigan Southern Railway; thence westerly along said right of way line to the place of beginning.

Parcel 2: An easement and right of way on, over, under and through said excepted portion of real estate located in the Southwest corner of said tract of land described above as Parcel 1 and being as follows: to-wit:

BEGINNING at the intersection of the southerly line of the former right of way of the Lake Shore & Michigan Southern Railway with the northwesterly line of the Highway opened by the Board of Public Works of the City of Gary, Indiana, by Confirmatory Resolution No. 3581, adopted May 5, 1924; thence northeasterly along said Highway line produced 33.5 feet; thence northeasterly at an angle of 3 degrees 50 minutes to the left with the last described line produced 124.57 feet; thence northerly at an angle of 49 degrees 33 minutes 18 seconds to the left with the last described line produced 110 feet; thence northerly at an angle of 7 degrees 46 minutes 12 seconds to the left with the last described line produced and on a line parallel with the North and South Center line of said Section 1, 125 feet; thence East at right angles to the last described line 80 feet; thence South and parallel with the North and South center line of Section 1 to the southerly line of the former right of way of the Lake Shore & Michigan Southern Railway; thence westerly along said right of way line to the place of beginning.