

475852 STATE OF INDIANA, LAC
LAKE COUNTY
FILED FOR RECORD

94081540

94 DEC -2 AM 10: 07

SAMUEL ORLICH
RECORDER

41

Chicago Title Insurance Company

MARBLEHEAD LIME COMPANY, a Delaware Corporation,

Mortgagor,

to

BANK BRUSSELS LAMBERT, NEW YORK BRANCH,

Mortgagee

Document is

NOT OFFICIAL!

MORTGAGE AND ASSIGNMENT OF RENTS
(and Security Agreement)
This Document is the property of
the Lake County Recorder!

Dated as of November 30, 1994

This instrument affects real and personal property
located in Lake County,
State of Indiana.

Record and return to:

Mayer, Brown & Platt
787 Seventh Avenue

New York, New York 10019-6018

Attention: Bruce M. Stachenfeld, Esq.

86⁰⁰ CT

TABLE OF CONTENTS

Page

ARTICLE I

| | | |
|---|--|----|
| COVENANTS AND AGREEMENTS OF THE MORTGAGOR | | 5 |
| SECTION 1.1 | Payment of Secured Obligations | 5 |
| SECTION 1.2 | Title to Collateral, etc. | 5 |
| SECTION 1.3 | Title Insurance | 6 |
| SECTION 1.3.1 | Title Insurance Policy | 6 |
| SECTION 1.3.2 | Title Insurance Proceeds | 6 |
| SECTION 1.4 | Recordation | 7 |
| SECTION 1.5 | Payment of Impositions, etc. | 7 |
| SECTION 1.6 | Insurance and Legal Requirements | 7 |
| SECTION 1.7 | Security Interests, etc. | 8 |
| SECTION 1.8 | Permitted Contests | 8 |
| SECTION 1.9 | Leases | 9 |
| SECTION 1.10 | Compliance with Instruments | 9 |
| SECTION 1.11 | Maintenance and Repair, etc. | 10 |
| SECTION 1.12 | Alterations, Additions, etc. | 10 |
| SECTION 1.13 | Acquired Property Subject to Lien | 10 |
| SECTION 1.14 | Assignment of Rents, Proceeds, etc. | 11 |
| SECTION 1.15 | No Claims Against the Mortgagee | 12 |
| SECTION 1.16 | Indemnification | 12 |
| SECTION 1.17 | No Credit for Payment of Taxes | 13 |
| SECTION 1.18 | Offering of the Notes; Application of Proceeds of Loans | 13 |
| SECTION 1.19 | Right of Mortgagee to Require Appraisal | 14 |
| SECTION 1.20 | No Transfer of the Collateral | 14 |

ARTICLE II

| | | |
|--|--|----|
| INSURANCE; DAMAGE, DESTRUCTION OR TAKING, ETC. | | 14 |
| SECTION 2.1 | Insurance | 14 |
| SECTION 2.1.1 | Risks to be Insured | 14 |
| SECTION 2.1.2 | Policy Provisions | 14 |
| SECTION 2.1.3 | Delivery of Policies, etc. | 15 |
| SECTION 2.1.4 | Separate Insurance | 15 |
| SECTION 2.2 | Damage, Destruction or Taking; Mortgagor to Give Notice; Assignment of Awards | 15 |
| SECTION 2.3 | Application of Proceeds and Awards | 16 |
| SECTION 2.4 | Total Taking and Total Destruction | 18 |

ARTICLE III

| | | |
|---|---|----|
| EVENTS OF DEFAULT; REMEDIES, ETC. | | 19 |
| SECTION 3.1 | Events of Default; Acceleration | 19 |
| SECTION 3.2 | Legal Proceedings; Foreclosure | 19 |
| SECTION 3.3 | Uniform Commercial Code Remedies | 19 |
| SECTION 3.4 | Purchase of Collateral by Mortgagee | 20 |

| | | |
|--------------|---|----|
| SECTION 3.5 | Receipt a Sufficient Discharge to Purchaser | 20 |
| SECTION 3.6 | Waiver of Appraisalment, Valuation, etc. | 20 |
| SECTION 3.7 | Sale a Bar Against Mortgagor | 20 |
| SECTION 3.8 | Obligations to Become Due on Sale | 21 |
| SECTION 3.9 | Application of Proceeds of Sale and Other Moneys | 21 |
| SECTION 3.10 | Appointment of Receiver | 22 |
| SECTION 3.11 | Possession, Management and Income | 22 |
| SECTION 3.12 | Right of Mortgagee to Perform Mortgagor's Covenants, etc. | 22 |
| SECTION 3.13 | Subrogation | 23 |
| SECTION 3.14 | Remedies, etc., Cumulative | 23 |
| SECTION 3.15 | Provisions Subject to Applicable Law | 23 |
| SECTION 3.16 | No Waiver, etc. | 24 |
| SECTION 3.17 | Compromise of Actions, etc. | 24 |

ARTICLE IV

| | | |
|-----------------------|--|----|
| DEFINITIONS | | 24 |
| SECTION 4.1 | Terms Defined in this Mortgage | 24 |
| SECTION 4.2 | Use of Defined Terms | 26 |
| SECTION 4.3 | Loan Agreement Definitions | 26 |

ARTICLE V

| | | |
|-------------------------|--|----|
| MISCELLANEOUS | | 26 |
| SECTION 5.1 | Further Assurances; Financing Statements | 26 |
| SECTION 5.1.1 | Further Assurances | 26 |
| SECTION 5.1.2 | Financing Statements | 27 |
| SECTION 5.2 | Additional Security | 27 |
| SECTION 5.3 | Defeasance; Partial Release, etc. | 27 |
| SECTION 5.3.1 | Defeasance | 27 |
| SECTION 5.3.2 | Partial Release, etc. | 28 |
| SECTION 5.4 | Notices, etc. | 28 |
| SECTION 5.5 | Waivers, Amendments, etc. | 29 |
| SECTION 5.6 | Cross-References | 29 |
| SECTION 5.7 | Headings | 29 |
| SECTION 5.8 | Governing Law | 29 |
| SECTION 5.9 | Successors and Assigns, etc. | 29 |
| SECTION 5.10 | Waiver of Jury Trial; Submission to Jurisdiction | 30 |
| SECTION 5.11 | Severability | 30 |

| | | |
|--------------------------|--|----|
| EXECUTION PAGE | | 35 |
|--------------------------|--|----|

| | | |
|--------------------------|--|----|
| ACKNOWLEDGMENT | | 36 |
|--------------------------|--|----|

Schedule 1 - Legal Description of the Land
Schedule 2 - Permitted Encumbrances

MORTGAGE AND ASSIGNMENT OF RENTS
(and Security Agreement)

MORTGAGE AND ASSIGNMENT OF RENTS (and Security Agreement), dated as of November 30, 1994 (this "Mortgage"), made by MARBLEHEAD LIME COMPANY, a Delaware corporation (the "Mortgagor"), having an address at 222 North LaSalle Street, Suite 1200, Chicago, Illinois 60601-1091, to BANK BRUSSELS LAMBERT, NEW YORK BRANCH, (the "Mortgagee"), and having an address for the purposes of this Mortgage at 630 Fifth Avenue, 6th Floor, New York, New York 10111.

W I T N E S S E T H T H A T:

WHEREAS, the Mortgagor is on the date of delivery hereof the owner of fee title to the parcel or parcels of land described in Schedule 1 hereto (the "Land") and of the Improvements (such term and other capitalized terms used in this Mortgage having the respective meanings specified or referred to in Article IV);

WHEREAS, pursuant to the terms, conditions and provisions of a Credit Agreement, dated as of November 30, 1994 (together with all amendments and other modifications, if any, from time to time thereafter made thereto, the "Loan Agreement"), among the Mortgagor, Carmeuse Lime, Inc. ("Carmeuse") and the Mortgagee, the Mortgagee extended (i) a Term Loan Commitment to make Term Loans to Carmeuse and (ii) a Revolving Loan Commitment to make Revolving Loans to, and issue Letters of Credit for the account of, the Mortgagor (the Term Loans and the Revolving Loans are hereinafter referred to collectively as the "Loans"; the Loans and the Letters of Credit are hereinafter referred to collectively as the "Credit Extensions");

WHEREAS, pursuant to the terms, conditions and provisions of a Guaranty (Subsidiary), dated as of the date hereof (as amended or modified from time to time, the "Guaranty (Subsidiary)"), made by the Mortgagor in favor of the Mortgagee, the Mortgagor has guaranteed the Obligations of Carmeuse arising under the Loan Agreement or any other Loan Document;

WHEREAS, as a condition precedent to the making of the initial Credit Extension under the Loan Agreement, the Mortgagor is required to execute and deliver this Mortgage for the benefit of the Mortgagee to secure the payment and performance of the obligations of the Mortgagor under the Loan Agreement and the Guaranty (Subsidiary); and

WHEREAS, the Mortgagor has duly authorized the execution, delivery and performance of this Mortgage.

G R A N T:

NOW, THEREFORE, for and in consideration of the premises, and of the mutual covenants herein contained, and in order to induce the Mortgagee to make the Credit Extensions (including the initial Credit Extension) to the Mortgagor and Carmeuse pursuant to the Loan Agreement, and in order to secure the full, timely and proper payment and performance of and compliance with each and every one of the Secured Obligations (as hereinafter defined), the Mortgagor hereby irrevocably mortgages and warrants and grants a security interest to the Mortgagee and its successors and assigns in all of the following (the "Collateral"):

(a) Real Estate. All of the Land and all additional lands and estates therein now owned or hereafter acquired by the Mortgagor for use or development with the Land or any portion thereof, together with all and singular the tenements, rights, easements, hereditaments, rights of way, privileges, liberties, appendages and appurtenances now or hereafter belonging or in anywise pertaining to the Land and such additional lands and estates therein (including, without limitation, all rights relating to storm and sanitary sewer, water, gas, electric, railway and telephone services); all development rights, air rights, riparian rights, water, water rights, water stock, all rights in, to and with respect to any and all oil, gas, coal, minerals and other substances of any kind or character underlying or relating to the Land and such additional lands and estates therein and any interest therein; all estate, claim, demand, right, title or interest of the Mortgagor in and to any street, road, highway or alley, vacated or other, adjoining the Land or any part thereof and such additional lands and estates therein; all strips and gores belonging, adjacent or pertaining to the Land or such additional lands and estates; and any after-acquired title to any of the foregoing (herein collectively called the "Real Estate");

(b) Improvements. All buildings, structures and other improvements and any additions and alterations thereto or replacements thereof, now or hereafter built, constructed or located upon the Real Estate; and, to the extent that any of the following items of property constitutes fixtures under applicable laws, all furnishings, fixtures, fittings, appliances, apparatus, equipment, machinery, building and construction materials and other articles of every kind and nature whatsoever and all replacements thereof, now or hereafter affixed or attached to, placed upon or used in any way in connection with the complete and comfortable use, enjoyment, occupation, operation, development and maintenance of the Real Estate or such buildings, structures and other improvements, including, but not limited to,

partitions, furnaces, boilers, oil burners, radiators and piping, plumbing and bathroom fixtures, refrigeration, heating, ventilating, air conditioning and sprinkler systems, other fire prevention and extinguishing apparatus and materials, vacuum cleaning systems, gas and electric fixtures, incinerators, compactors, elevators, engines, motors, generators and all other articles of property which are considered fixtures under applicable law (such buildings, structures and other improvements and such other property are herein collectively referred to as the "Improvements"; the Real Estate and the Improvements are collectively referred to as the "Property");

(c) Goods. All building materials, goods, construction materials, appliances (including, without limitation, stoves, ranges, ovens, disposals, refrigerators, water fountains and coolers, fans, heaters, dishwashers, clothes washers and dryers, water heaters, hood and fan combinations, kitchen equipment, laundry equipment, kitchen cabinets and other similar equipment), stocks, beds, mattresses, bedding and linens, supplies, blinds, window shades, drapes, carpets, floor coverings, office equipment, growing plants and shrubberies, control devices, equipment (including window cleaning, building cleaning, swimming pool, recreational, monitoring, garbage, pest control and other equipment), motor vehicles, tools, furnishings, furniture, lighting, non-structural additions to the Real Estate and Improvements and all other tangible property of any kind or character, together with all replacements thereof, now or hereafter located on or in or used or useful in connection with the complete and comfortable use, enjoyment, occupation, operation, development and maintenance of the Property, regardless of whether or not located on or in the Property or located elsewhere for purposes of storage, fabrication or otherwise (herein collectively referred to as the "Goods");

(d) Intangibles. All goodwill, trademarks, trade names, option rights, purchase contracts, books and records and general intangibles of the Mortgagor relating to the Property and all accounts, contract rights, instruments, chattel paper and other rights of the Mortgagor for the payment of money for property sold or lent, for services rendered, for money lent, or for advances or deposits made, and any other intangible property of the Mortgagor relating to the Property (herein collectively referred to as the "Intangibles");

(e) Leases. All rights of the Mortgagor in, to and under all leases, licenses, occupancy agreements, concessions and other arrangements, oral or written, now existing or hereafter entered into, whereby any Person

agrees to pay money or any other consideration for the use, possession or occupancy of, or any estate in, the Property or any portion thereof or interest therein (herein collectively referred to as the "Leases"), and the right, subject to applicable law, upon the occurrence of any Event of Default hereunder, to receive and collect the Rents (as hereinafter defined) paid or payable thereunder;

(f) Plans. All rights of the Mortgagor in and to all plans and specifications, designs, drawings and other information, materials and matters heretofore or hereafter prepared relating to the Improvements or any construction on the Real Estate (herein collectively referred to as the "Plans");

(g) Permits. All rights of the Mortgagor, to the extent assignable, in, to and under all permits, franchises, licenses, approvals and other authorizations respecting the use, occupation and operation of the Property and every part thereof and respecting any business or other activity conducted on or from the Property, and any product or proceed thereof or therefrom, including, without limitation, all building permits, certificates of occupancy and other licenses, permits and approvals issued by governmental authorities having jurisdiction (herein collectively called the "Permits");

(h) Rents. All rents, issues, profits, royalties, avails, income and other benefits derived or owned, directly or indirectly, by the Mortgagor from the Property, including, without limitation, all rents and other consideration payable by tenants, claims against guarantors, and any cash or other securities deposited to secure performance by tenants, under the Leases (herein collectively referred to as "Rents");

(i) Proceeds. All proceeds of the conversion, voluntary or involuntary of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards (herein collectively referred to as "Proceeds"); and

(j) Other Property. All other property and rights of the Mortgagor of every kind and character relating to the Property, and all proceeds and products of any of the foregoing;

AND, without limiting any of the other provisions of this Mortgage, the Mortgagor expressly grants to the Mortgagee, as secured party, a security interest in all of those portions of the Collateral which are or may be subject to the State Uniform Commercial Code provisions applicable to secured transactions;

TO HAVE AND TO HOLD the Collateral unto the Mortgagee, its successors and assigns, forever.

NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, the maximum amount of indebtedness secured by this Mortgage at execution or which under any contingency may become secured hereby at any time hereafter is the principal sum of \$100,000,000.00 plus interest thereon, plus amounts expended by the Mortgagee after a declaration of default hereunder to maintain the lien of this Mortgage or to protect the property secured by this Mortgage, including, without limitation, amounts in respect of insurance premiums, real estate taxes, litigation expenses to prosecute or defend the rights, remedies and lien of this Mortgage or title to the property secured hereby, and any costs, charges or amounts to which the Mortgagee becomes subrogated upon payment, whether under recognized principles of law or equity or under express statutory authority, together with interest on all the foregoing amounts at the rate provided for in the Loan Agreement.

FURTHER to secure the full, timely and proper payment and performance of the Secured Obligations, the Mortgagor hereby covenants and agrees with and warrants to the Mortgagee as follows:

ARTICLE I

COVENANTS AND AGREEMENTS OF THE MORTGAGOR

SECTION 1.1 Payment of Secured Obligations. The Mortgagor agrees that:

(a) it will duly and punctually pay and perform or cause to be paid and performed each of the Obligations at the time and in accordance with the terms of the Loan Documents, and

(b) when and as due and payable from time to time in accordance with the terms hereof or of any other Loan Documents, pay and perform, or cause to be paid and performed, all other Secured Obligations.

SECTION 1.2 Title to Collateral, etc. The Mortgagor represents and warrants to and covenants with the Mortgagee that:

(a) as of the date hereof and at all times hereafter while this Mortgage is outstanding, the Mortgagor is and shall be the absolute owner of the legal and beneficial title to the Property and to all other property included in the Collateral, and has good and marketable title in fee simple absolute to the Property, subject in each case only

to this Mortgage and the encumbrances set forth in Schedule 2 hereto (the "Permitted Encumbrances");

(b) the Mortgagor has good and lawful right, power and authority to execute this Mortgage and to convey, transfer, assign, mortgage and grant a security interest in the Collateral, all as provided herein;

(c) this Mortgage has been duly executed, acknowledged and delivered on behalf of the Mortgagor, all consents and other actions required to be taken by the officers, directors, shareholders and partners, as the case may be, of the Mortgagor have been duly and fully given and performed and this Mortgage constitutes the legal, valid and binding obligation of the Mortgagor, enforceable against the Mortgagor in accordance with its terms; and

(d) the Mortgagor, at its expense, will warrant and defend to the Mortgagee and any purchaser under the power of sale herein or at any foreclosure sale such title to the Collateral and the first mortgage lien and first priority perfected security interest of this Mortgage thereon and therein against all claims and demands and will maintain, preserve and protect such lien and security interest and will keep this Mortgage a valid, direct first mortgage lien of record on and a first priority perfected security interest in the Collateral, subject only to the Permitted Encumbrances.

SECTION 1.3 Title Insurance.

SECTION 1.3.1 Title Insurance Policy. Concurrently with the execution and delivery of this Mortgage, the Mortgagor, at its expense, has obtained and delivered to the Mortgagee a loan policy or policies of title insurance in an amount satisfactory to the Mortgagee naming the Mortgagee as the insured, insuring the title to and the first mortgage lien of this Mortgage on the Property, subject to the Permitted Encumbrances. The Mortgagor has duly paid in full all premiums and other charges due in connection with the issuance of such policy or policies of title insurance.

SECTION 1.3.2 Title Insurance Proceeds. All proceeds received by and payable to the Mortgagee for any loss under the loan policy or policies of title insurance delivered to the Mortgagee pursuant to Section 1.3.1, or under any policy or policies of title insurance delivered to the Mortgagee in substitution therefor or replacement thereof, shall be the property of the Mortgagee and shall be applied by the Mortgagee in accordance with the provisions of Section 2.3.

SECTION 1.4 Recordation. The Mortgagor, at its expense, will at all times cause this Mortgage and any instruments amendatory hereof or supplemental hereto and any instruments of assignment hereof or thereof (and any appropriate financing statements or other instruments and continuations thereof), and each other instrument delivered in connection with any Loan Document and intended thereunder to be recorded, registered and filed, to be kept recorded, registered and filed, in such manner and in such places, and will pay all such recording, registration, filing fees, taxes and other charges, and will comply with all such statutes and regulations as may be required by law in order to establish, preserve, perfect and protect the lien and security interest of this Mortgage as a valid, direct first mortgage lien and first priority perfected security interest in the Collateral, subject only to Permitted Encumbrances. The Mortgagor will pay or cause to be paid, and will indemnify the Mortgagee in respect of, all taxes (including interest and penalties) at any time payable in connection with the filing and recording of this Mortgage and any and all supplements and amendments hereto.

SECTION 1.5 Payment of Impositions, etc. Subject to Section 1.8 (relating to permitted contests), the Mortgagor will pay or cause to be paid before the same would become delinquent and before any fine, penalty, interest or cost may be added for non-payment, all taxes, assessments, water and sewer rates, charges, license fees, inspection fees and other governmental levies or payments, of every kind and nature whatsoever, general and special, ordinary and extraordinary, unforeseen as well as foreseen, which at any time may be assessed, levied, confirmed, imposed or which may become a lien upon the Collateral, or any portion thereof, or which are payable with respect thereto, or upon the rents, issues, income or profits thereof, or on the occupancy, operation, use, possession or activities thereof, whether any or all of the same be levied directly or indirectly or as excise taxes or as income taxes, and all taxes, assessments or charges which may be levied on the Secured Obligations, or the interest thereon (collectively, the "Impositions"); provided, that, to the extent any of the foregoing Impositions are payable in installments, the Mortgagor may pay such Impositions in installments. The Mortgagor will deliver to the Mortgagee, upon request, copies of official receipts or other satisfactory proof evidencing such payments.

SECTION 1.6 Insurance and Legal Requirements. Subject to Section 1.8 (relating to permitted contests), the Mortgagor, at its expense, will comply, or cause compliance with

(a) all provisions of any insurance policy covering or applicable to the Collateral or any part thereof, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the

National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the Collateral or any part thereof or any use or condition of the Collateral or any part thereof (collectively, the "Insurance Requirements"); and

(b) all laws, including Environmental Laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Collateral or any part thereof, or any of the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, or any use or condition of the Collateral or any part thereof (collectively, the "Legal Requirements");

whether or not compliance therewith shall require structural changes in or interference with the use and enjoyment of the Collateral or any part thereof.

SECTION 1.7 Security Interests, etc. The Mortgagor will not directly or indirectly create or permit or suffer to be created or to remain, and will promptly discharge or cause to be discharged, any deed of trust, mortgage, encumbrance or charge on, pledge of, security interest in or conditional sale or other title retention agreement with respect to or any other lien on or in the Collateral or any part thereof or the interest of the Mortgagor, the Mortgagee therein or any Proceeds thereof or Rents or other sums arising therefrom, other than (a) the Permitted Encumbrances, (b) liens of mechanics, materialmen, suppliers or vendors or rights thereto incurred in the ordinary course of the business of the Mortgagor for sums not yet due or any such liens or rights thereto which are at the time being contested as permitted by Section 1.8 and for which adequate reserves in accordance with GAAP have been set aside on the books of Mortgagor and (c) as expressly provided in Section 7.2.3 of the Loan Agreement. The Mortgagor will not postpone the payment of any sums for which liens of mechanics, materialmen, suppliers or vendors or rights thereto have been incurred (unless such liens or rights thereto are at the time being contested as permitted by Section 1.8), or enter into any contract under which payment of such sums is postponable (unless such contract expressly provides for the legal, binding and effective waiver of any such liens or rights thereto), in either case, for more than 60 days after the completion of the action giving rise to such liens or rights thereto.

SECTION 1.8 Permitted Contests. The Mortgagor at its expense may contest, or cause to be contested, by appropriate

legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition, Legal Requirement or Insurance Requirement or lien of a mechanic, materialman, supplier or vendor, provided that, (a) in the case of an unpaid Imposition, lien, encumbrance or charge, such proceedings shall suspend the collection thereof from the Mortgagor, the Mortgagee, and the Collateral (including any rent or other income therefrom) and shall not interfere with the payment of any such rent or income, (b) neither the Collateral nor any rent or other income therefrom nor any part thereof or interest therein would be in any danger of being sold, forfeited, lost or interfered with, (c) in the case of a Legal Requirement, neither the Mortgagor nor the Mortgagee would be in danger of any civil or criminal liability for failure to comply therewith, (d) the Mortgagor shall have furnished such security, if any, as may be reasonably required in the proceedings or as may be requested by the Mortgagee, (e) the non-payment of the whole or any part of any Imposition will not result in the delivery of a tax deed to the Collateral or any part thereof because of such non-payment, (f) the payment of any sums required to be paid with respect to the Note or under this Mortgage (other than any unpaid Imposition, lien, encumbrance or charge at the time being contested in accordance with this Section 1.8) shall not be interfered with or otherwise affected, and (g) in the case of any Insurance Requirement, the failure of the Mortgagor to comply therewith shall not affect the validity of any insurance required to be maintained by the Mortgagor under Section 2.1.

SECTION 1.9 Leases. Except as set forth in Schedule 2 attached hereto and made a part hereof, the Mortgagor represents and warrants to the Mortgagee that, as of the date hereof, there are no written or oral leases or other agreements of any kind or nature relating to the occupancy of any portion of the Property by any Person other than the Mortgagor. The Mortgagor will not enter into any such written or oral lease or other agreement with respect to any portion of the Property without first obtaining the written consent of the Mortgagee, which consent shall not be unreasonably withheld or delayed.

SECTION 1.10 Compliance with Instruments. The Mortgagor at its expense will promptly comply with all rights of way or use, privileges, franchises, servitudes, licenses, easements, tenements, hereditaments and appurtenances forming a part of the Property and all instruments creating or evidencing the same, in each case, to the extent compliance therewith is required of the Mortgagor under the terms thereof. The Mortgagor will not take any action which may result in a forfeiture or termination of the rights afforded to the Mortgagor under any such instruments and will not, without the prior written consent of the Mortgagee (which consent shall not be unreasonably withheld or delayed), amend any of such instruments.

SECTION 1.11 Maintenance and Repair, etc. Subject to the provisions of Section 1.12, the Mortgagor will keep or cause to be kept all presently and subsequently erected or acquired Improvements and the sidewalks, curbs, vaults and vault space, if any, located on or adjoining the same, and the streets and the ways adjoining the same, in good and substantial order and repair and in such a fashion that the value and utility of the Collateral will not be diminished, and, at its sole cost and expense, will promptly make or cause to be made all necessary and appropriate repairs, replacements and renewals thereof, whether interior or exterior, structural or nonstructural, ordinary or extraordinary, foreseen or unforeseen. All repairs, replacements and renewals shall be equal in quality and class to the original Improvements. The Mortgagor at its expense will do or cause to be done all shoring of foundations and walls of any building or other Improvements on the Property and (to the extent permitted by law) of the ground adjacent thereto, and every other act necessary or appropriate for the preservation and safety of the Property by reason of or in connection with any excavation or other building operation upon the Property and upon any adjoining property, whether or not the Mortgagor shall, by any Legal Requirement, be required to take such action or be liable for failure to do so.

SECTION 1.12 Alterations, Additions, etc. So long as no Event of Default shall have occurred and be continuing, the Mortgagor shall have the right at any time and from time to time to make or cause to be made reasonable alterations of and additions to the Property or any part thereof, provided that any alteration or addition: (a) shall not change the general character of the Property or reduce the fair market value thereof below its value immediately before such alteration or addition, or impair the usefulness of the Property; (b) is effected with due diligence, in a good and workmanlike manner and in compliance with all Legal Requirements and Insurance Requirements; and (c) is promptly and fully paid for, or caused to be paid for, by the Mortgagor.

SECTION 1.13 Acquired Property Subject to Lien. All property at any time acquired by the Mortgagor and provided or required by this Mortgage to be or become subject to the lien and security interest hereof, whether such property is acquired by exchange, purchase, construction or otherwise, shall forthwith become subject to the lien and security interest of this Mortgage without further action on the part of the Mortgagor or the Mortgagee. The Mortgagor, at its expense, will execute and deliver to (and will record and file as provided in Section 1.4) an instrument supplemental to this Mortgage satisfactory in substance and form to the Mortgagee, whenever such an instrument is necessary under applicable law to subject to the lien and security interest of this Mortgage all right, title and interest of the Mortgagor in and to all property provided or required by

this Mortgage to be subject to the lien and security interest hereof.

SECTION 1.14 Assignment of Rents, Proceeds, etc. The assignment, grant and conveyance of the Leases, Rents, Proceeds and other rents, income, proceeds and benefits of the Collateral contained in the Granting Clause of this Mortgage shall constitute an absolute, present and irrevocable assignment, grant and conveyance, provided that permission is hereby given to the Mortgagor, so long as no Event of Default has occurred and is continuing hereunder, to collect, receive and apply such Rents, Proceeds and other rents, income, proceeds and benefits as they become due and payable, but not in advance thereof, and in accordance with all of the other terms, conditions and provisions hereof and of the Leases, contracts, agreements and other instruments with respect to which such payments are made or such other benefits are conferred. Upon the occurrence of an Event of Default, such permission shall terminate immediately and automatically, without notice to the Mortgagor or any other Person except as required by law, and shall not be reinstated upon a cure of such Event of Default without the express written consent of the Mortgagee. Such assignment shall be fully effective without any further action on the part of the Mortgagor or the Mortgagee and the Mortgagee shall be entitled, at its option, upon the occurrence of an Event of Default hereunder, to collect, receive and apply all Rents, Proceeds and all other rents, income, proceeds and benefits from the Collateral, including all right, title and interest of the Mortgagor in any escrowed sums or deposits or any portion thereof or interest therein, whether or not the Mortgagee takes possession of the Collateral or any part thereof. The Mortgagor further grants to the Mortgagee the right, at the Mortgagee's option, upon the occurrence of an Event of Default hereunder, to:

(a) enter upon and take possession of the Property for the purpose of collecting Rents, Proceeds and said rents, income, proceeds and other benefits;

(b) dispossess by the customary summary proceedings any tenant, purchaser or other Person defaulting in the payment of any amount when and as due and payable, or in the performance of any other obligation, under the Lease, contract or other instrument to which said Rents, Proceeds or other rents, income, proceeds or benefits relate;

(c) let or convey the Collateral or any portion thereof or any interest therein; and

(d) apply Rents, Proceeds and such rents, income, proceeds and other benefits, after the payment of all necessary fees, charges and expenses, on account of the Secured Obligations in accordance with Section 3.11.

SECTION 1.15 No Claims Against the Mortgagee. Nothing contained in this Mortgage shall constitute any consent or request by the Mortgagee, express or implied, for the performance of any labor or the furnishing of any materials or other property in respect of the Property or any part thereof, or be construed to permit the making of any claim against the Mortgagee in respect of labor or services or the furnishing of any materials or other property or any claim that any lien based on the performance of such labor or the furnishing of any such materials or other property is prior to the lien and security interest of this Mortgage. All contractors, subcontractors, vendors and other persons dealing with the Property, or with any persons interested therein, are hereby required to take notice of the provisions of this Section.

SECTION 1.16 Indemnification. (a) The Mortgagor hereby indemnifies, exonerates and holds the Indemnified Parties (as defined in the Loan Agreement) free and harmless from and against any and all Indemnified Liabilities (as defined in the Loan Agreement) incurred by the Indemnified Parties or any of them as a result of, arising out of, or relating to (i) any accident, injury to or death of persons or loss of or damage to or loss of the use of property occurring on or about the Property or any part thereof or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways, (ii) any use, non-use or condition of the Property or any part thereof or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways, (iii) any failure on the part of the Mortgagor to perform or comply with any of the terms of this Mortgage, (iv) performance of any labor or services or the furnishing of any materials or other property in respect of the Collateral or any part thereof made or suffered to be made by or on behalf of the Mortgagor, (v) any negligence or tortious act on the part of the Mortgagor or any of its agents, contractors, lessees, licensees or invitees, or (vi) any work in connection with any alterations, changes, new construction or demolition of or additions to the Property; provided, however, that the Mortgagor shall not indemnify any Indemnified Party against any Indemnified Liabilities arising (x) by reason of such Indemnified Party's gross negligence or willful misconduct or (y) in the case of clauses (i), (ii), (iv) and (vi) above, subsequent to the Mortgagor's ownership or operation of the Property.

(b) In the event that (i) any Indemnified Party is made a party to any action or proceeding by reason of the execution of this Mortgage or any other Loan Document or (ii) any action or proceeding shall be commenced in which it becomes necessary to defend or uphold the lien of this Mortgage, all reasonable sums paid by the Indemnified Parties for the expense of any litigation to prosecute or defend the rights and lien created hereby or otherwise shall be paid by the Mortgagor to such Indemnified Parties, as hereinafter provided. The Mortgagor will pay and

save the Indemnified Parties harmless against any and all liability with respect to any intangible personal property tax or similar imposition of the State or any subdivision or authority thereof now or hereafter in effect, to the extent that the same may be payable by the Indemnified Parties in respect of this Mortgage or any Secured Obligation. All amounts payable to the Indemnified Parties under this Section 1.16 shall be deemed indebtedness secured by this Mortgage and any such amounts which are not paid within the grace period provided for in the Loan Agreement by any Indemnified Party shall bear interest at the rate provided for in the Loan Agreement from the date of such demand. In case any action, suit or proceeding is brought against any Indemnified Party by reason of any such occurrence, the Mortgagor, upon request of such Indemnified Party, will, at the Mortgagor's expense, resist and defend such action, suit or proceeding or cause the same to be resisted or defended by counsel designated by the Mortgagor and approved by such Indemnified Party, which approval shall not be unreasonably withheld or delayed. The obligations of the Mortgagor under this Section 1.16 shall survive any discharge or reconveyance of this Mortgage, the payment in full of the Secured Obligations and the termination of all Commitments. If and to the extent that the foregoing undertaking is unenforceable for any reason, the Mortgagor hereby agrees to make the maximum contribution to the payment and satisfaction of each of the Indemnified Liabilities which is permissible under applicable law.

SECTION 1.17 No Credit for Payment of Taxes. The Mortgagor shall not be entitled to any credit against the Secured Obligations by reason of the payment of any tax on the Property or any part thereof or by reason of the payment of any other Imposition, and shall not apply for or claim any deduction from the taxable value of the Property or any part thereof by reason of this Mortgage.

SECTION 1.18 Offering of the Notes; Application of Proceeds of Loans. Neither the Mortgagor nor any Person acting on behalf of the Mortgagor has directly or indirectly offered the Notes or any portion thereof or any similar security to, or solicited any offer to buy any of the same from, any Person other than the Mortgagee. Neither the Mortgagor nor any Person acting on behalf of the Mortgagor has taken or will take any action which would subject the issuance of the Notes to the provisions of section 5 of the Securities Act of 1933, as amended. The Mortgagor (a) will not use or permit to be used any proceeds of the Loans, directly or indirectly, for the purpose, whether immediate, incidental or ultimate, of "purchasing" or "carrying" any "margin stock" within the meaning of Regulation U of the Federal Reserve Board, as amended from time to time, and (b) has or will apply all of the proceeds of the Loans that are paid to it by the Mortgagee to the purposes permitted by the Loan Agreement.

SECTION 1.19 Right of Mortgagee to Require Appraisal. In the event that, pursuant to applicable law, the Mortgagee is required to have in its files a current appraisal of the Property, the Mortgagee shall have the right, from time to time during the term of the Loan Agreement, to obtain one or more fair market value appraisals of the Property from such appraisers that are members of the American Institute of Real Estate Appraisers and in such form as is reasonably satisfactory to the Mortgagee. The cost of any such appraisal(s) shall be paid by the Mortgagor.

SECTION 1.20 No Transfer of the Collateral. Except as expressly permitted pursuant to the terms of the Loan Agreement, the Mortgagor shall not (i) sell, convey, assign or otherwise transfer the Collateral or any portion of the Mortgagor's interest therein, or (ii) further encumber the Collateral or permit the Collateral to become encumbered by any lien, claim, security interest or other indebtedness of any kind or nature.

NOT OFFICIAL!
ARTICLE II

INSURANCE; DAMAGE, DESTRUCTION OR TAKING, ETC.

SECTION 2.1 Insurance.

SECTION 2.1.1 Risks to be Insured. The Mortgagor will, at its expense, maintain or cause to be maintained with responsible insurance carriers such insurance as is required pursuant to the terms of the Loan Agreement.

SECTION 2.1.2 Policy Provisions. All insurance maintained by the Mortgagor pursuant to Section 2.1.1 (a) (except for worker's compensation insurance) shall name the Mortgagor and the Mortgagee as insureds as their respective interests may appear, (b) (except for worker's compensation and public liability insurance) shall provide that the proceeds for any losses (i) shall be adjusted by the Mortgagor, subject to the approval of the Mortgagee, in the event that an Event of Default shall have occurred and shall then be continuing and such proceeds shall exceed \$25,000, and (ii) shall be payable to the Mortgagee, to be held and applied as provided in Section 2.3, and (c) shall provide that any losses shall be payable notwithstanding (i) any act, failure to act or negligence of or violation of warranties, declarations or conditions contained in such policy by any named insured, (ii) the occupation or use of the Property for purposes more hazardous than permitted by the terms thereof, (iii) any foreclosure or other action or proceeding taken by the Mortgagee pursuant to any provision of this Mortgage, or (iv) any change in title or ownership of the Property. Any insurance maintained pursuant to this Section 2.1 may be evidenced by blanket insurance policies covering the Property and other properties or assets of the Mortgagor, provided that any such policy shall

specify the portion, if less than all, of the total coverage of such policy that is allocated to the Property, and shall in all other respects comply with the requirements of this Section 2.1. The Mortgagee agrees that the amount, type and terms of the policies of insurance maintained by the Mortgagor as of the date hereof (copies of which have previously been furnished to the Mortgagee) are satisfactory as of the date hereof for the purposes of this Section 2.1.2.

SECTION 2.1.3 Delivery of Policies, etc. The Mortgagor shall deliver to the Mortgagee, promptly upon request, (a) copies of all policies evidencing all insurance required to be maintained under this Section 2.1 (or, in the case of blanket policies, certificates thereof by the insurers together with a counterpart of each blanket policy), and (b) evidence as to the payment of all premiums due thereon (with respect to public liability insurance policies, all installments for the current year due thereon to such date); provided, that the Mortgagee shall not be deemed by reason of its custody of such policies to have knowledge of the contents thereof. The Mortgagor will also deliver to the Mortgagee not later than 30 days prior to the expiration of any policy a binder or certificate of the insurer evidencing the replacement thereof and not later than 15 days prior to the expiration of such policy an original copy of the new policy (or, in the case of a replacement blanket policy, a certificate thereof of the insurer together with a counterpart of the blanket policy). In the event the Mortgagor shall fail to effect or maintain any insurance required to be effected or maintained pursuant to the provisions of this Section 2.1, the Mortgagor will indemnify the Mortgagee against damage, loss or liability resulting from all risks for which such insurance should have been effected or maintained.

SECTION 2.1.4 Separate Insurance. The Mortgagor will not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained pursuant to this Section 2.1.

SECTION 2.2 Damage, Destruction or Taking; Mortgagor to Give Notice; Assignment of Awards. In case of

(a) any damage to or destruction of the Collateral or any part thereof, or

(b) any taking, whether for permanent or temporary use, of all or any part of the Collateral or any interest therein or right accruing thereto, as the result of or in anticipation of the exercise of the right of condemnation or eminent domain, or a change of grade affecting the Collateral or any portion thereof (a "Taking"), or the commencement of any proceedings or negotiations which may result in a Taking,

the Mortgagor will promptly give written notice thereof to the Mortgagee, generally describing the nature and extent of such damage or destruction and the Mortgagor's best estimate of the cost of restoring the Collateral, or the nature of such proceedings or negotiations and the nature and extent of the Taking which might result therefrom, as the case may be. The Mortgagee shall be entitled to all insurance proceeds payable on account of such damage or destruction and to all awards or payments allocable to the Collateral on account of such Taking, up to the amount of the Secured Obligations, and the Mortgagor hereby irrevocably assigns, transfers and sets over to the Mortgagee all rights of the Mortgagor to any such proceeds, awards or payments and irrevocably authorizes and empowers the Mortgagee, at its option, in the name of the Mortgagor or otherwise, to file and prosecute what would otherwise be the Mortgagor's claim for any such proceeds, award or payment and to collect, receipt for and retain the same for disposition in accordance with Section 2.3. The Mortgagor will pay all reasonable costs and expenses incurred by the Mortgagee in connection with any such damage, destruction or Taking and seeking and obtaining any insurance proceeds, awards or payments in respect thereof.

the Lake County Recorder!

SECTION 2.3 Application of Proceeds and Awards. The Mortgagee may, at its option, apply all amounts recovered under any insurance policy required to be maintained by the Mortgagor hereunder and all awards received by it on account of any Taking in any one or more of the following ways:

(a) to the payment of the reasonable costs and expenses incurred by the Mortgagee in obtaining any such insurance proceeds or awards, including the fees and expenses of attorneys and insurance and other experts and consultants, the costs of litigation, arbitration, mediation, investigations and other judicial, administrative or other proceedings and all other out-of-pocket expenses;

(b) to the payment of the principal of the Loans and any interest (including post-petition interest payable in any proceedings for bankruptcy under applicable law ("Post-Petition Interest") to the extent such interest is a Secured Obligation) accrued and unpaid thereon, without regard to whether any portion or all of such amounts shall be matured or unmatured, together with interest at the rate provided for in the Loan Agreement on any overdue principal and (to the extent permitted by applicable law) interest; and, in case such amount shall be insufficient to pay in full all such amounts, then such amount shall be applied, first, to the payment of all amounts of interest (including Post-Petition Interest to the extent such interest is a Secured Obligation) accrued on the Loans and unpaid, second, to the payment of all amounts of principal at the time outstanding;

(c) to the payment of, or the application to, any Secured Obligation (other than as provided in clause (b) above);

(d) to fulfill any of the other covenants contained herein as the Mortgagee may determine;

(e) to the Mortgagor for application to the cost of restoring the Collateral and the replacement of Goods destroyed, damaged or taken; or

(f) to the Mortgagor.

Notwithstanding the foregoing provisions of this Section 2.3 to the contrary (but subject to the provisions of Section 2.4), and if each of the following conditions is satisfied, the Mortgagee, upon request of the Mortgagor, shall apply insurance proceeds or condemnation awards received by it to the restoration or replacement of the Collateral, to the extent necessary for the restoration or replacement thereof:

(i) there shall then exist no uncured material Default;

(ii) the Mortgagor shall furnish to the Mortgagee a certificate of an architect or engineer reasonably acceptable to the Mortgagee stating (x) that the Collateral is capable of being restored, prior to the maturity of the Loan Agreement, to substantially the same condition as existed prior to the casualty or Taking, (y) the aggregate estimated hard and soft costs of such restoration and (z) as to any Taking, that the property taken in such Taking, or sold under threat thereof, is not necessary to the Mortgagor's customary use or occupancy of the Property; and

(iii) in the event that the estimated cost of restoration set forth in the certificate of such architect or engineer (and such revisions to such estimate as are from time to time made) exceeds the net insurance proceeds or condemnation awards actually received from time to time, the Mortgagor shall deposit the amount of such excess with the Mortgagee.

In the event that such insurance proceeds or condemnation awards are to be utilized in the restoration of the Collateral, the Mortgagee shall disburse such Proceeds and the additional amounts deposited by the Mortgagor for such restoration after receipt of a written request for disbursement, on not fewer than five nor more than twelve Business Days notice and, to the extent applicable, in accordance with customary construction loan procedures and conditions. In the event that such insurance or

condemnation awards are to be utilized to replace the Collateral so destroyed or taken, the Mortgagee shall disburse such Proceeds after receipt of a written request for disbursement, on not fewer than five nor more than twelve Business Days notice simultaneously with the acquisition of such replacement property by the Mortgagor. In the event that, after the restoration or replacement of the Collateral, any insurance or condemnation awards shall remain, such amount shall be paid to the Mortgagor. Insurance proceeds and condemnation awards shall be invested in the manner reasonably requested by the Mortgagor and approved by the Mortgagee, and all interest earned thereon shall be applied as provided in this Section 2.3. If, prior to the receipt by the Mortgagee of such insurance proceeds or condemnation awards, the Collateral shall have been sold on foreclosure, the Mortgagee shall have the right to receive said insurance proceeds or condemnation awards to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment shall have been sought or recovered or denied, and the reasonable attorneys' fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment.

SECTION 2.4 Total Taking and Total Destruction. In the event of a Total Destruction or a Total Taking, the Mortgagee shall apply all amounts recovered under any insurance policy referred to in Section 2.1 and all awards received by it on account of any such Taking as follows:

(a) first, to the payment of the reasonable costs and expenses incurred by the Mortgagee in obtaining any such insurance proceeds or awards, including the fees and expenses of attorneys and insurance and other experts and consultants, the costs of litigation, arbitration, mediation, investigations and other judicial, administrative or other proceedings and all other out-of-pocket expenses;

(b) second, to the payment of the principal of the Loans and any interest (including Post-Petition Interest to the extent such interest is a Secured Obligation) accrued and unpaid thereon, without regard to whether any portion or all of such amounts shall be matured or unmatured, together with interest at the rate provided for in the Loan Agreement on any overdue principal and (to the extent permitted by applicable law) interest; and, in case such amount shall be insufficient to pay in full all such amounts, then such amount shall be applied, first, to the payment of all amounts of interest (including Post-Petition Interest to the extent such interest is a Secured Obligation) accrued on the Loans and unpaid, and second, to the payment of all amounts of principal at the time outstanding;

(c) third, to the payment of, or the application to, any Secured Obligation (other than as provided in clause (b) above);

(d) fourth, to fulfill any of the other covenants contained herein as the Mortgagee may determine; and

(f) fifth, the balance, if any, to the Mortgagor.

ARTICLE III

EVENTS OF DEFAULT; REMEDIES, ETC.

SECTION 3.1 Events of Default; Acceleration. If an Event of Default (pursuant to and as defined in the Credit Agreement) shall occur, then and in any such event the Mortgagee may at any time thereafter (unless all Events of Default shall theretofore have been remedied and all reasonable costs and expenses, including, without limitation, attorneys' fees and expenses incurred by or on behalf of the Mortgagee, shall have been paid in full by the Mortgagor) declare, by written notice to the Mortgagor, the Loans and all other Secured Obligations to be due and payable immediately or on a date specified in such notice (provided that, upon the occurrence of any Event of Default described in clauses (a) through (d) of Section 8.1.9 of the Loan Agreement, the Loans and all other Secured Obligations shall automatically become due and payable), and on such date the same shall be and become due and payable, together with interest accrued thereon, without presentment, demand, protest or notice, all of which the Mortgagor hereby waives. The Mortgagor will pay on demand all reasonable costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by or on behalf of the Mortgagee in enforcing this Mortgage, or any other Loan Document, or occasioned by any default hereunder or thereunder.

SECTION 3.2 Legal Proceedings; Foreclosure. If an Event of Default shall have occurred and be continuing, the Mortgagee at any time may, at its election, proceed at law or in equity or otherwise to enforce the payment of the Secured Obligations in accordance with the terms hereof and thereof and to foreclose the lien of this Mortgage as against all or any part of the Collateral and to have the same sold under the judgment or decree of a court of competent jurisdiction. The Mortgagee shall be entitled to recover in such proceedings all costs incident thereto, including reasonable attorneys' fees and expenses in such amounts as may be fixed by the court.

SECTION 3.3 Uniform Commercial Code Remedies. If an Event of Default shall have occurred and be continuing, the Mortgagee may exercise from time to time and at any time any rights and

remedies available to it under applicable law upon default in the payment of indebtedness, including, without limitation, any right or remedy available to it as a secured party under the Uniform Commercial Code of the State. The Mortgagor shall, promptly upon request by the Mortgagee, assemble the Collateral, or any portion thereof generally described in such request, and make it available to the Mortgagee at such place or places designated by the Mortgagee and reasonably convenient to the Mortgagee or the Mortgagor. If the Mortgagee elects to proceed under the Uniform Commercial Code of the State to dispose of portions of the Collateral, the Mortgagee, at its option, may give the Mortgagor notice of the time and place of any public sale of any such property, or of the date after which any private sale or other disposition thereof is to be made, by sending notice by registered or certified first class mail, postage prepaid, to the Mortgagor at least ten days before the time of the sale or other disposition. If any notice of any proposed sale, assignment or transfer by the Mortgagee of any portion of the Collateral or any interest therein is required by law, the Mortgagor conclusively agrees that ten days notice to the Mortgagor of the date, time and place (and, in the case of a private sale, the terms) thereof is reasonable.

SECTION 3.4 Purchase of Collateral by Mortgagee. The Mortgagee may be a purchaser of the Collateral or of any part thereof or of any interest therein at any sale thereof, whether pursuant to foreclosure or as otherwise permitted by law, and the Mortgagee may apply upon the purchase price thereof the indebtedness secured hereby owing to the Mortgagee. Such purchaser shall, upon any such purchase, acquire good title to the properties so purchased, free of the security interest and lien of this Mortgage and, to the extent permitted by law, free of all rights of redemption in the Mortgagor.

SECTION 3.5 Receipt a Sufficient Discharge to Purchaser. Upon any sale of the Collateral or any part thereof or any interest therein, whether pursuant to foreclosure or as otherwise permitted by law, the receipt of the Mortgagee or the officer making the sale under judicial proceedings shall be a sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obliged to see to the application thereof.

SECTION 3.6 Waiver of Appraisement, Valuation, etc. The Mortgagor hereby waives, to the fullest extent it may lawfully do so, the benefit of all appraisement, valuation, stay, extension and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale of the Collateral or any part thereof or any interest therein.

SECTION 3.7 Sale a Bar Against Mortgagor. Any sale of the Collateral or any part thereof or any interest therein under or by virtue of this Mortgage, whether pursuant to foreclosure or as

otherwise permitted by law, shall, to the fullest extent permitted by law, forever be a bar against the Mortgagor.

SECTION 3.8 Obligations to Become Due on Sale. Upon any sale of the Collateral or any portion thereof or interest therein by virtue of the exercise of any remedy by the Mortgagee under or by virtue of this Mortgage, whether pursuant to foreclosure or otherwise in accordance with this Mortgage or by virtue of any other remedy available at law or in equity or by statute or as otherwise permitted by law, at the option of the Mortgagee, the entire Secured Obligations shall, if not previously declared due and payable, immediately become due and payable, together with interest accrued thereon and all other indebtedness which this Mortgage by its terms secures.

SECTION 3.9 Application of Proceeds of Sale and Other Moneys. The proceeds of any sale of the Collateral or any part thereof or any interest therein under or by virtue of this Mortgage, whether pursuant to foreclosure or as otherwise permitted by law, and all other moneys at any time held by the Mortgagee as part of the Collateral, shall be applied as follows:

First: to the payment of the reasonable costs and expenses of such sale (including, without limitation, the cost of evidence of title and the costs and expenses, if any, of taking possession of, retaining custody over, repairing, managing, operating, maintaining and preserving the Collateral or any part thereof prior to such sale), all reasonable costs and expenses incurred by the Mortgagee or any other Person in obtaining or collecting any insurance proceeds, condemnation awards or other amounts received by the Mortgagee, all reasonable costs and expenses of any receiver of the Collateral or any part thereof, and any Impositions or other charges or expenses prior to the security interest or lien of this Mortgage, which the Mortgagee may consider it necessary or desirable to pay;

Second: to the payment of any Secured Obligation (other than as provided in clause Third below);

Third: to the payment of all amounts of principal of and interest (including post-petition interest to the extent such interest is a Secured Obligation) at the time due and payable under the Loan Agreement at the time outstanding (whether due by reason of maturity or by reason of any prepayment requirement or by declaration or acceleration or otherwise), including interest at the rate provided for in the Loan Agreement on any overdue principal and (to the extent permitted under applicable law) on any overdue interest; and, in case such moneys shall be insufficient to pay in full such principal and interest, then, first, to the payment of all amounts of interest (including post-petition interest to the extent such interest is a Secured Obligation) at the time due and payable and, second, to the

payment of all amounts of principal at the time due and payable under the Loan Agreement; and

Fourth: the balance, if any, held by the Mortgagee after payment in full of all amounts referred to in subdivisions First, Second and Third above, shall, unless a court of competent jurisdiction may otherwise direct by final order not subject to appeal, be paid to or upon the direction of the Mortgagor.

SECTION 3.10 Appointment of Receiver. If an Event of Default shall have occurred and be continuing, the Mortgagee shall, to the fullest extent permitted by law, be entitled to the appointment of a receiver for all or any part of the Collateral, whether such receivership be incidental to a proposed sale of the Collateral or otherwise, and the Mortgagor hereby consents to the appointment of such a receiver and will not oppose any such appointment.

SECTION 3.11 Possession, Management and Income. If an Event of Default shall have occurred and be continuing, in addition to, not in limitation of, the rights and remedies provided in Section 1.5, the Mortgagee, upon five days notice to the Mortgagor, may enter upon and take possession of the Collateral or any part thereof by force, summary proceeding, ejectment or otherwise and may remove the Mortgagor and all other Persons and any and all property therefrom and may hold, operate, maintain, repair, preserve and manage the Collateral and receive all earnings, income, Rents, issues and Proceeds accruing with respect thereto or any part thereof. The Mortgagee shall be under no liability for or by reason of any such taking of possession, entry, removal or holding, operation or management, except that any amounts so received by the Mortgagee shall be applied to pay all costs and expenses of so entering upon, taking possession of, holding, operating, maintaining, repairing, preserving and managing the Collateral or any part thereof, and any Impositions or other charges prior to the lien and security interest of this Mortgage which the Mortgagee may consider it necessary or desirable to pay, and any balance of such amounts shall be applied as provided in Section 3.11.

SECTION 3.12 Right of Mortgagee to Perform Mortgagor's Covenants, etc. If the Mortgagor shall fail to make any payment or perform any act required to be made or performed hereunder or under the Loan Agreement or any the other Loan Document, the Mortgagee, without notice to or demand upon the Mortgagor and without waiving or releasing any obligation or Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of the Mortgagor, and may enter upon the Collateral for such purpose and take all such action thereon as, in the Mortgagee's opinion, may be necessary or appropriate therefor. No such entry and no such action shall be deemed an eviction of any lessee of the

Property or any part thereof. All sums so paid by the Mortgagee and all costs and expenses (including, without limitation, attorneys' fees and expenses) so incurred, together with interest thereon at the rate provided for in the Loan Agreement from the date of payment or incurring, shall constitute additional indebtedness under the Loan Agreement secured by this Mortgage and shall be paid by the Mortgagor to the Mortgagee on demand.

SECTION 3.13 Subrogation. To the extent that the Mortgagee, on or after the date hereof, pays any sum due under any provision of any Legal Requirement or any instrument creating any lien prior or superior to the lien of this Mortgage, or the Mortgagor or any other Person pays any such sum with the proceeds of the loan evidenced by the Loan Agreement, the Mortgagee shall have and be entitled to a lien on the Collateral equal in priority to the lien discharged, and the 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 and benefit the Mortgagee in securing the Secured Obligations.

SECTION 3.14 Remedies, etc., Cumulative. Each right, power and remedy of the Mortgagee provided for in this Mortgage or now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Mortgage or the other Loan Documents, or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Mortgagee of any one or more of the rights, powers or remedies provided for in this Mortgage, or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Mortgagee of any or all such other rights, powers or remedies.

SECTION 3.15 Provisions Subject to Applicable Law. Notwithstanding anything contained in this Mortgage to the contrary, all rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Mortgage or any application thereof shall be invalid or unenforceable, the remainder of this Mortgage and any other application of such term shall not be affected thereby.

SECTION 3.16 No Waiver, etc. No failure by the Mortgagee to insist upon the strict performance of any term hereof or of any other Loan Document, or to exercise any right, power or remedy consequent upon a breach hereof or thereof, shall constitute a waiver of any such term or of any such breach. No waiver of any breach shall affect or alter this Mortgage, which shall continue in full force and effect with respect to any other then existing or subsequent breach. By accepting payment or performance of any amount or other Secured Obligations secured hereby before or after its due date, the Mortgagee shall not be deemed to have waived its right either to require prompt payment or performance when due of all other amounts and Secured Obligations payable hereunder or to declare a default for failure to effect such prompt payment.

SECTION 3.17 Compromise of Actions, etc. Any action, suit or proceeding brought by the Mortgagee pursuant to any of the terms of this Mortgage, the Loan Agreement, any other Loan Document, or otherwise, and any claim made by the Mortgagee hereunder or thereunder, may be compromised, withdrawn or otherwise dealt with by the Mortgagee without any notice to or approval of the Mortgagor.

ARTICLE IV
DEFINITIONS

SECTION 4.1 Terms Defined in this Mortgage. When used herein the following terms have the following meanings:

"Carmeuse": see the second recital.

"Collateral": see the granting clause.

"Default" means any Event of Default or any condition or event which, after notice or lapse of time, or both, would constitute an Event of Default.

"Event of Default": see Section 3.1.

"Goods": see clause (c) of the granting clause.

"Guaranty (Subsidiary)": see the third recital.

"herein", "hereof", "hereto", and "hereunder" and similar terms refer to this Mortgage and not to any particular Section, paragraph or provision of this Mortgage.

"Impositions": see Section 1.5.

"Improvements": see clause (b) of the granting clause.

"Indemnified Liabilities": see Section 1.16(a).

"Indemnified Parties": see Section 1.16.

"Insurance Requirements": see paragraph (a) of Section 1.6.

"Intangibles": see clause (d) of the granting clause.

"Land": see the first recital.

"Leases": see clause (e) of the granting clause.

"Legal Requirements": see paragraph (b) of Section 1.6.

"Loans": see the second recital.

"Loan Agreement": see the second recital.

"Mortgage": see the preamble.

"Mortgagee": see the preamble.

"Mortgagor": see the preamble.

"Permits": see clause (g) of the granting clause.

"Permitted Encumbrances": see Section 1.2.

"Person" means a corporation, an association, a partnership, an organization, a business, an individual, a government or political subdivision thereof or a governmental agency or officer.

"Plans": see clause (f) of the granting clause.

"Post-Petition Interest": see Section 2.3.

"Proceeds": see clause (i) of the granting clause.

"Property": see clause (b) of the granting clause.

"Real Estate": see clause (a) of the granting clause.

"Rents": see clause (h) of the granting clause.

"Secured Obligations" means all Obligations now or hereafter existing under the Loan Agreement, the Notes and each other Loan Document, whether for principal, interest, costs, fees, expenses or otherwise, and all other obligations of the Mortgagor or Carmeuse to the Mortgagee, howsoever created, arising or now or hereinafter existing or due or to become due.

"State": means the State of Indiana.

"Taking": see clause (b) of Section 2.2.

"Total Destruction" means any damage to or destruction of the Improvements or any part thereof which, in the reasonable estimation of the Mortgagee shall require the expenditure of an amount in excess of \$250,000 over the proceeds of insurance received by Carmeuse, the Mortgagor or the Mortgagee relating to such loss to restore the Improvements to substantially the same condition of the Improvements immediately prior to such damage or destruction.

"Total Taking" means a Taking, whether permanent or for temporary use, which, in the judgment of the Mortgagee, reasonably exercised, shall substantially interfere with the normal operation of the Property by the Mortgagor.

SECTION 4.2 Use of Defined Terms. Terms for which meanings are provided in this Mortgage shall, unless otherwise defined or the context otherwise requires, have such meanings when used in any certificate and any opinion, notice or other communication delivered from time to time in connection with this Mortgage or pursuant hereto.

SECTION 4.3 Loan Agreement Definitions. Unless otherwise defined herein or the context otherwise requires, terms used in this Mortgage, including its preamble and recitals, have the meanings provided in the Loan Agreement.

ARTICLE V

MISCELLANEOUS

SECTION 5.1 Further Assurances; Financing Statements.

SECTION 5.1.1 Further Assurances. The Mortgagor, at its expense, will execute, acknowledge and deliver all such instruments and take all such other action as the Mortgagee from time to time may reasonably request:

(a) to better subject to the lien and security interest of this Mortgage all or any portion of the Collateral,

(b) to perfect, publish notice or protect the validity of the lien and security interest of this Mortgage,

(c) to preserve and defend the title to the Collateral and the rights of the Mortgagee therein against the claims

of all Persons as long as this Mortgage shall remain undischarged,

(d) to better subject to the lien and security interest of this Mortgage or to maintain or preserve the lien and security interest of this Mortgage with respect to any replacement or substitution for any Improvements or any other after-acquired property, or

(e) in order further to effectuate the purposes of this Mortgage and to carry out the terms hereof and to better assure and confirm to the Mortgagee its rights, powers and remedies hereunder.

SECTION 5.1.2 Financing Statements. Notwithstanding any other provision of this Mortgage, the Mortgagor hereby agrees that, without notice to or the consent of the Mortgagor, the Mortgagee may file with the appropriate public officials such financing statements, continuation statements, amendments and similar documents as are or may become necessary to perfect, preserve or protect the security interest granted by this Mortgage.

SECTION 5.2 Additional Security. Without notice to or consent of the Mortgagor, and without impairment of the security interest and lien and rights created by this Mortgage, the Mortgagee may accept from the Mortgagor or any other Person additional security for the Secured Obligations. Neither the giving of this Mortgage nor the acceptance of any such additional security shall prevent the Mortgagee from resorting, first, to such additional security, or, first, to the security created by this Mortgage, or concurrently to both, in any case without affecting the Mortgagee's lien and rights under this Mortgage.

SECTION 5.3 Defeasance; Partial Release, etc.

SECTION 5.3.1 Defeasance. If the Mortgagor shall pay, in full, the principal of and premium, if any, and interest on the Secured Obligations in accordance with the terms thereof and hereof and all other sums payable hereunder by the Mortgagor and shall comply with all the terms, conditions and requirements hereof and of the Secured Obligations, then on such date, this Mortgage shall be (except as provided herein) null and void and of no further force and effect and the Collateral shall thereupon be, and be deemed to have been, reconveyed, released and discharged from this Mortgage without further notice on the part of either the Mortgagor or the Mortgagee, and the Mortgagee shall, at Mortgagor's expense, promptly execute and deliver to the Mortgagor such instruments as are necessary to release of record this Mortgage.

SECTION 5.3.2 Partial Release, etc. The Mortgagee may, at any time and from time to time, without liability therefor, and without prior notice to the Mortgagor, release or reconvey any part of the Collateral, consent to the making of any map or plat of the Property, join in granting any easement thereon or join in any extension agreement or agreement subordinating the lien of this Mortgage or enter into any other agreement in connection with the Collateral.

SECTION 5.4 Notices, etc. All notices and other communications provided to any party hereto shall be in writing or by Telex or by facsimile and addressed, delivered or transmitted to such party at its address, Telex or facsimile number set forth below or at such other address, Telex or facsimile number as may be designated by such party in a notice to the other party. Any notice, if mailed and properly addressed with postage prepaid or if properly addressed and sent by prepaid courier service, shall be deemed given when received; any notice, if transmitted by Telex or facsimile, shall be deemed given when transmitted (answerback confirmed in the case of Telexes).

If to the Mortgagee:

Bank Brussels Lambert, New York Branch
630 Fifth Avenue, 6th Floor
New York, New York 10111

Attention: Mr. Jurgen Rigterink
Facsimile No.: (212) 632-5308

with a copy to:

Mayer, Brown & Platt
787 Seventh Avenue
New York, New York 10019
Attention: Bruce M. Stachenfeld, Esq.
Facsimile No.: (212) 262-1910

If to the Mortgagor:

Marblehead Lime Company
222 North LaSalle Street
Suite 1200
Chicago, Illinois 60601-1901

Attention: Mr. Maurice Henery and Mr. Fred Miossi
Facsimile No.: (312) 443-7141

In all cases where notices are delivered to Mortgagor, copies of such notices are to be delivered concurrently to the following:

Carmeuse S.A.
13a, rue du Chateau
B-5300 SEILLES
BELGIUM

Attention: Mr. Jacques Germa and Mr. Yves Willems
Facsimile No.: (32) (85) 83.01.20

and

Seyfarth, Shaw, Fairweather & Geraldson
55 East Monroe Street
Suite 4200
Chicago, Illinois 60603

Attention: Michael E. Blount, Esq.
Facsimile No.: (312) 269-8869

SECTION 5.5 Waivers, Amendments, etc. The provisions of this Mortgage may be amended, discharged or terminated and the observance or performance of any provision of this Mortgage may be waived, either generally or in a particular instance and either retroactively or prospectively, only by an instrument in writing executed by the Mortgagor and the Mortgagee.

SECTION 5.6 Cross-References. References in this Mortgage and in each instrument executed pursuant hereto to any Section or Article are, unless otherwise specified, to such Section or Article of this Mortgage or such instrument, as the case may be, and references in any Section, Article or definition to any clause are, unless otherwise specified, to such clause of such Section, Article or definition.

SECTION 5.7 Headings. The various headings of this Mortgage and of each instrument executed pursuant hereto are inserted for convenience only and shall not affect the meaning or interpretation of this Mortgage or such instrument or any provisions hereof or thereof.

SECTION 5.8 Governing Law. THIS MORTGAGE SHALL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK, EXCEPT AS OTHERWISE REQUIRED BY THE LAWS OF THE STATE OF INDIANA (INCLUDING, WITHOUT LIMITATION, THE LAWS OF THE STATE OF INDIANA WITH RESPECT TO THE VALIDITY AND ENFORCEABILITY OF THIS MORTGAGE AND THE EXERCISE OF REMEDIES HEREUNDER).

SECTION 5.9 Successors and Assigns, etc. This Mortgage shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 5.10 Waiver of Jury Trial; Submission to Jurisdiction.

(a) EACH OF THE MORTGAGOR AND THE MORTGAGEE, BY ACCEPTING THIS MORTGAGE, HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS MORTGAGE, THE LOAN AGREEMENT OR ANY OTHER LOAN DOCUMENT OR RELATED INSTRUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF THE MORTGAGOR OR THE MORTGAGEE. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE MORTGAGEE TO ENTER INTO THE TRANSACTIONS PROVIDED FOR IN THE LOAN AGREEMENT AND TO MAKE THE CREDIT EXTENSIONS.

(b) FOR THE PURPOSE OF ANY ACTION OR PROCEEDING INVOLVING THIS MORTGAGE OR ANY OTHER LOAN DOCUMENT, THE MORTGAGOR HEREBY EXPRESSLY AND IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ALL FEDERAL AND STATE COURTS LOCATED IN THE STATE AND CONSENTS THAT IT MAY BE SERVED WITH ANY PROCESS OR PAPER BY REGISTERED MAIL OR BY PERSONAL SERVICE WITHIN OR WITHOUT THE STATE IN ACCORDANCE WITH APPLICABLE LAW, PROVIDED A REASONABLE TIME FOR APPEARANCE IS ALLOWED. THE MORTGAGOR EXPRESSLY WAIVES, TO THE EXTENT IT MAY LAWFULLY DO SO, ANY OBJECTION, CLAIM OR DEFENSE WHICH IT MAY HAVE AT ANY TIME TO THE LAYING OF VENUE OF ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF THIS MORTGAGE OR ANY OTHER LOAN DOCUMENT IN ANY SUCH COURT, IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM AND FURTHER IRREVOCABLY WAIVES THE RIGHT TO OBJECT, WITH RESPECT TO ANY SUCH CLAIM, SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT, THAT SUCH COURT DOES NOT HAVE JURISDICTION OVER THE PERSON OF THE MORTGAGOR. NOTHING CONTAINED HEREIN WILL BE DEEMED TO PRECLUDE THE MORTGAGEE FROM BRINGING AN ACTION AGAINST THE MORTGAGOR IN ANY OTHER JURISDICTION.

SECTION 5.11 Severability. Any provision of this Mortgage or any other Loan Document which is prohibited or unenforceable in any jurisdiction shall as to such provision and such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Mortgage or such Loan Document or affecting the validity or unenforceability of such provision in any other jurisdiction.

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

MORTGAGOR:

MARBLEHEAD LIME COMPANY, a
Delaware corporation

[Corporate Seal]

By: *W.S. Brown III*
Name: W.S. BROWN III
Title: PRESIDENT



ACKNOWLEDGMENT OF MORTGAGOR

STATE OF ILLINOIS)
) SS.:
COUNTY OF COOK)

The foregoing Mortgage was acknowledged before me this 30th day of NOVEMBER, 1994, by W.S. BROWN III, of Marblehead Lime Company, a corporation, on behalf of the corporation, as its free act and deed.

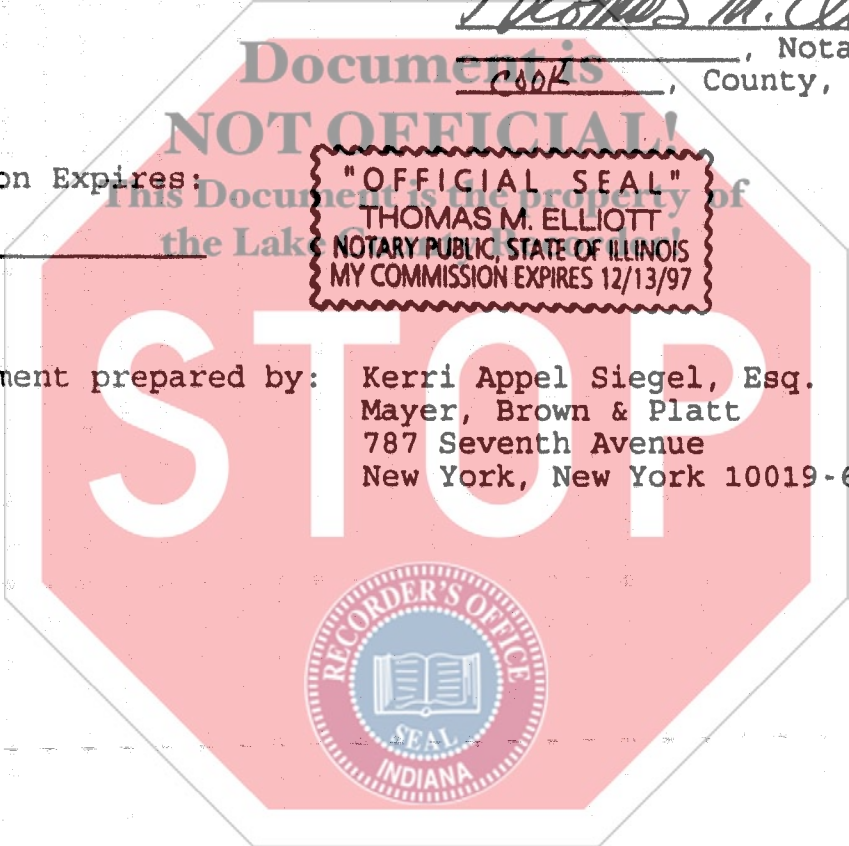
[SEAL]

Thomas M. Elliott
_____, Notary Public
COOK, County, IL

My Commission Expires:

"OFFICIAL SEAL"
THOMAS M. ELLIOTT
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 12/13/97

This instrument prepared by: Kerri Appel Siegel, Esq.
Mayer, Brown & Platt
787 Seventh Avenue
New York, New York 10019-6018



Legal Description of the Land



RIGHT-OF-WAY LINE OF THE ELGIN, JOLIET, AND EASTERN RAILWAY COMPANY (FORMERLY THE CHICAGO, INDIANA AND SOUTHERN RAILROAD); THENCE SOUTH 53 DEGREES 17 MINUTES 26 SECONDS EAST ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE, 539.09 FEET TO A 1" REBAR; THENCE NORTH 36 DEGREES 42 MINUTES 34 SECONDS EAST, 85.00 FEET TO A RAIL MONUMENT; THENCE CONTINUING NORTH 36 DEGREES 42 MINUTES 34 SECONDS EAST, 984.02 FEET TO A 1" REBAR, SAID POINT BEING THE POINT OF BEGINNING; THENCE NORTH 68 DEGREES 38 MINUTES 19 SECONDS WEST, 80.97 FEET; THENCE NORTH 36 DEGREES 17 MINUTES 14 SECONDS EAST, 106.16 FEET; THENCE NORTH 33 DEGREES 59 MINUTES 06 SECONDS WEST, 562.17 FEET; THENCE NORTH 56 DEGREES 23 MINUTES 29 SECONDS EAST, 402.27 FEET; THENCE NORTH 33 DEGREES 33 MINUTES 14 SECONDS EAST, 198.96 FEET; THENCE NORTH 33 DEGREES 19 MINUTES 01 SECOND WEST, 1160.29 FEET; THENCE NORTH 64 DEGREES 39 MINUTES 50 SECONDS EAST, 74.92 FEET; THENCE SOUTH 33 DEGREES 17 MINUTES 26 SECONDS EAST, 460.67 FEET; THENCE NORTH 67 DEGREES 50 MINUTES 00 SECONDS EAST, 130.90 FEET; THENCE NORTH 77 DEGREES 14 MINUTES 00 SECONDS EAST, 78.77 FEET; THENCE NORTH 82 DEGREES 05 MINUTES 05 SECONDS EAST, 187.66 FEET; THENCE SOUTH 72 DEGREES 45 MINUTES 30 SECONDS EAST, 242.43 FEET; THENCE SOUTH 54 DEGREES 43 MINUTES 04 SECONDS EAST, 626.58 FEET; THENCE SOUTH 36 DEGREES 42 MINUTES 34 SECONDS WEST, 1553.13 FEET TO THE POINT OF BEGINNING.

PARCEL 2: PART OF THE SOUTH ONE HALF OF SECTION 24, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, LAKE COUNTY, INDIANA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT A RAIL MONUMENT AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 25; THENCE NORTH 00 DEGREES 03 MINUTES 26 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 25, A DISTANCE OF 1868.43 FEET TO THE NORTHEASTERLY RIGHT-OF-WAY LINE OF THE ELGIN, JOLIET, AND EASTERN RAILWAY COMPANY (FORMERLY THE CHICAGO, INDIANA AND SOUTHERN RAILROAD); THENCE SOUTH 53 DEGREES 17 MINUTES 26 SECONDS EAST ALONG SAID NORTHEASTERLY RIGHT-OF-WAY LINE, 539.09 FEET TO A 1" REBAR; THENCE NORTH 36 DEGREES 42 MINUTES 34 SECONDS EAST, 85.00 FEET TO A RAIL MONUMENT; THENCE CONTINUING NORTH 36 DEGREES 42 MINUTES 34 SECONDS EAST, 984.02 FEET TO A 1" REBAR; THENCE NORTH 68 DEGREES 38 MINUTES 19 SECONDS WEST, 80.97 FEET; THENCE NORTH 30 DEGREES 34 MINUTES 41 SECONDS EAST, 755.30 FEET; THENCE NORTH 33 DEGREES 19 MINUTES 01 SECOND WEST, 974.99 FEET; THENCE SOUTH 56 DEGREES 40 MINUTES 59 SECONDS WEST, 57.00 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 56 DEGREES 36 MINUTES 37 SECONDS WEST, 31.99 FEET; THENCE SOUTH 56 DEGREES 30 MINUTES 34 SECONDS WEST, 137.64 FEET; THENCE NORTH 61 DEGREES 16 MINUTES 07 SECONDS WEST, 63.63 FEET; THENCE SOUTH 84 DEGREES 45 MINUTES 31 SECONDS WEST, 213.78 FEET; THENCE NORTH 72 DEGREES 35 MINUTES 39 SECONDS WEST, 199.25 FEET; THENCE NORTH 33 DEGREES 17 MINUTES 52 SECONDS WEST, 268.74 FEET; THENCE NORTH 56 DEGREES 41 MINUTES 14 SECONDS EAST PARALLEL TO AND 53 FEET DISTANT FROM THE DOCK WALL, 514.13 FEET; THENCE SOUTH 33 DEGREES 19 MINUTES 01 SECOND EAST PARALLEL TO AND 57 FEET DISTANT FROM THE LINE OF PARCEL 1, 579.30 FEET TO THE POINT OF BEGINNING.

PARCEL 3: A PARCEL OF LAND IN THE NORTHWEST QUARTER OF SECTION 25, TOWNSHIP 37 NORTH, RANGE 9 WEST OF THE SECOND PRINCIPAL MERIDIAN, IN THE CITY OF GARY, LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: COMMENCING AT A RAIL MONUMENT AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 25; THENCE NORTH 00 DEGREES 03 MINUTES 26 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 25, 1868.43 FEET TO THE NORTHEASTERLY RIGHT OF WAY LINE OF THE ELGIN, JOLIET, AND EASTERN RAILWAY COMPANY (FORMERLY THE CHICAGO, INDIANA AND SOUTHERN RAILROAD); THENCE SOUTH 53 DEGREES 17 MINUTES 26 SECONDS EAST ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE, 539.09 FEET TO A 1" REBAR, AND THE POINT OF BEGINNING OF SAID PARCEL; THENCE CONTINUING SOUTH 53 DEGREES 17 MINUTES 26 SECONDS EAST ALONG SAID NORTHEASTERLY RIGHT OF WAY LINE A DISTANCE OF 1662.91 FEET TO THE SOUTHWESTERLY CORNER OF PROPERTY OF NORTHERN INDIANA PUBLIC SERVICE COMPANY CONVEYED AS PARCEL NO. 1 BY UNITED STATES CORPORATION TO NORTHERN INDIANA PUBLIC SERVICE COMPANY BY DEED DATED OCTOBER 24, 1960 AND RECORDED NOVEMBER 1, 1960, IN DEED RECORD 1160, PAGE 361, AS DOCUMENT NO. 289248; THENCE NORTH 36 DEGREES 42 MINUTES 34 SECONDS EAST ALONG THE WESTERLY LINE OF SAID PARCEL NO. 1 A DISTANCE OF 85.00 FEET TO A RAIL MONUMENT AT THE SOUTHEASTERLY CORNER OF A 100-ACRE TRACT OF LAND CONVEYED BY UNIVERSAL ATLAS CEMENT COMPANY TO NORTHERN INDIANA PUBLIC SERVICE COMPANY BY DEED DATED AUGUST 18, 1954 AND RECORDED AUGUST 24, 1954, IN DEED RECORD 973, PAGE 505, AS DOCUMENT NO. 777431; THENCE NORTH 53 DEGREES 17 MINUTES 26 SECONDS WEST ALONG THE SOUTHERLY LINE OF SAID 100-ACRE TRACT OF LAND A DISTANCE OF 1662.91 FEET TO THE SOUTHWESTERLY CORNER OF SAID TRACT; THENCE SOUTH 36 DEGREES 42 MINUTES 34 SECONDS WEST A DISTANCE OF 85.00 FEET TO THE POINT OF BEGINNING.



Permitted Encumbrances

1. Taxes not yet due and payable.
2. Rights of way for drainage tiles, ditches, feeders and laterals.
3. Rights of way for any roads, highways, streets or alleys.
4. Railroad rights of way and any switch or spur tracks crossing the Land.
5. Limitation by fences and/or other established boundary lines.
6. Rights of the public and the government agencies having jurisdiction over that part of the Land, if any, covered by the waters of Lake Michigan.
7. Rights of the United States, the municipality and the public in and to that part of the Land which once was within the bed of Lake Michigan.
8. Restriction in Deed, dated March 23, 1925, and recorded January 25, 1926, in Deed Record 365, Page 567, as Document No. 176035, made by Gary Land Company to Universal Portland Cement Company.
9. Terms and provisions of an unrecorded Easement Agreement, dated December 1, 1960, between United States Steel Corporation and Northern Indiana Dock, Inc., as evidenced by Warranty and Quit Claim Deed, dated February 22, 1965, and recorded February 24, 1965, in Deed Record 1287, Page 93, as Document No. 606346.
10. Covenants and conditions contained in Quit Claim Deed, dated May 13, 1966, and recorded July 15, 1966, in Deed Record 1325, Page 340, as Document No. 673776, made by Inland Steel Company to United States Steel Corporation.
11. 8-inch water line over and across the Land, as evidenced by Quitclaim Deed, dated August 29, 1969, and recorded November 17, 1969, as Document No. 38964.

12. 6-inch water line over and across the Land, as evidenced by Quitclaim Deed, dated July 30, 1969, and recorded November 17, 1969, as Document No.38965.
13. Any and all rights, permissions, authorities, licenses and easement for water mains, gas mains, pipes, conduits, power and light lines, and towers and poles, wires, guys and sewers existing in, upon, over or across the Land.
14. Restrictions and covenants contained in Warranty Deed, dated October 24, 1960, and recorded November 12, 1960, as Document No. 289248, made by United States Steel Corporation to Northern Indiana Public Service Company.
15. Easements, covenants and conditions contained in Confirmatory and Corrective Deed, dated February 2, 1983, and recorded May 6, 1983, as Document No. 707259, made by United States Steel Corporation to Lehigh Portland Cement Company.
16. Resolution declaring an Economic Revitalization Area (Resolution No. 2196), recorded April 3, 1989, as Document No. 03078.
17. Option granted in Environmental Agreement, dated September 28, 1990, among Marblehead Lime Company, Northern Indiana Public Service Company and USX Corporation.
18. Easement Agreement, dated August 18, 1954, and recorded August 24, 1954, in Miscellaneous Record 616, Page 346, as Document No. 777434, and re-recorded May 11, 1983, as Document No. 707975, made by Universal Atlas Cement Company to Northern Indiana Public Service Company.
19. Easement for roadway, dated February 7, 1984, and recorded March 1, 1984, as Document No. 747508, made by United States Steel Corporation to Northern Indiana Public Service Company.
20. Covenants, conditions and reservations contained in Special Warranty Deed, dated December 18, 1991, and recorded December 26, 1991, as Document No. 91065414, made by USX Corporation to Marblehead Lime Company.
21. Easement for railroad siding, recorded December 19, 1991, as Document No. 91064458, made by USX Corporation to Northern Indiana Public Service Company.
22. Declaration and Grant of Roadway Easement, dated December 9, 1991, and recorded December 19, 1991, as Document No. 91064457.

23. Confirmatory Declaration, dated December 13, 1991, and recorded December 26, 1991, as Document No. 91065412.
24. Declaration and Grant of Roadway Easement, dated December 18, 1991, and recorded December 26, 1991, as Document No. 91065413.

