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(Indiana)

THIS DOCUMENT IS NOT A CONVEYANCE DOCUMENT WITHIN THE MEANING OF, AND IS EXEMPT FROM, THE INDIANA REAL PROPERTY SALES DISCLOSURE ACT, UNDER SECTION 1C 6-1.1-5.5-2(2), AS IT IS A LEASE FOR A TERM OF LESS THAN NINETY (90) YEARS, AND IS NOT A SALE OR TRANSFER OF AN INTEREST IN REAL ESTATE SUBJECT TO, AND NO GROSS INCOME TAX IS DUE UNDER, 1C 6-2.1-8-5(a).

PREPARED BY AND WHEN
RECORDED RETURN TO:
BRIAN L. TAYLOR
DEWEY BALLANTINE
1301 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019-6092

FILED

SEP 27 1996

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LAKE COUNTY

Document is NOT OFFICIAL
MEMORANDUM OF LEASE AGREEMENT

THIS MEMORANDUM OF LEASE AGREEMENT (this "Memorandum") dated as of September 27, 1996 is by and between DEPOT HILL FUNDING, LIMITED PARTNERSHIP, a Delaware limited partnership having an address c/o ML Leasing Equipment Corp., Project and Lease Finance Group, World Financial Center, North Tower - 27th Floor, 250 Vesey Street, New York, New York 10281-1327 ("Lessor"), and LAKESIDE ENERGY CORPORATION, an Indiana corporation having an address at 801 East 86th Avenue, Merrillville, Indiana 46410 ("Lessee").

Pursuant to the terms of an unrecorded Lease Agreement dated as of September 24, 1996 (the "Lease") between Lessor and Lessee, Lessor has leased, demised, and let to Lessee, and Lessee has leased and taken from Lessor certain premises situated in the City of Gary, Lake County, Indiana, and more particularly described on Exhibit A attached hereto and by this reference made a part hereof, together with all rights, easements, licenses and appurtenances thereto, including, without limitation, those license areas legally described on Exhibits 2 and 3 to the Ground Lease Memorandum (as hereinafter defined)(collectively, the "Premises"), together with all improvements located or to be located thereon as more particularly described and defined in the Lease and being the same improvements identified as the "Facility" to be constructed under the Ground Lease (as hereinafter defined)(the "Project").

The Lessor's interest in the Premises is created pursuant to a certain unrecorded Ground Lease dated as of September 1, 1995, between USX Corporation - U.S. Steel Group, as ground lessor, and Lessee, as ground lessee, as amended by that certain First Amendment to Ground Lease dated September 11, 1996 (collectively, together with any future modifications, amendments, and supplements thereto, the

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Chicago Title Insurance Company

"Ground Lease"), a memorandum of such Ground Lease, as so amended, was recorded on September 18, 1996 as Document No. 96062456 in the real estate records of Lake County, Indiana ("Ground Lease Memorandum"), and with respect to which Lessee's interests in the leasehold estate created by the Ground Lease and in the Project were assigned by Lessee hereunder to Lessor hereunder pursuant to an Assignment of Ground Lease dated as of September 24, 1996 (the "Assignment", an original of which is intended to be recorded immediately prior hereto) and the Construction Agency Agreement dated as of December 11, 1995 by and between Lessor and Lessee.

The commencement date of the Lease with respect to the Project (the "Effective Date") shall be the date upon which Lessor and Lessee shall have completed their respective obligations under a certain unrecorded Agreement for Lease dated as of September 24, 1996 ("Agreement for Lease") between Lessor, as owner therein, and Lessee, as agent therein, which Effective Date shall be no later than April 30, 1998. The Effective Date shall be evidenced by a written leasing record executed by Lessor and Lessee, which is not intended to be recorded. The Lease shall terminate on the fifteenth (15th) anniversary of the Effective Date plus any partial first calendar month after the Effective Date, unless such term is sooner ended or is extended pursuant to the terms of the Lease.

Lessee has the right to purchase Lessor's leasehold interest and rights in the Ground Lease and Lessor's interest in the Project at certain times prior to the commencement of the Lease upon the occurrence of certain specified events and upon terms and conditions and for the price stated in the Agreement for Lease.

After the Effective Date, Lessee has the option to purchase Lessor's leasehold interests and rights in the Ground Lease and Lessor's interest in the Project at certain times during the term of the Lease upon the terms and conditions and for the price stated in the Lease.

This Memorandum is executed for the purpose of recordation in the Office of the Recorder of Lake County, Indiana, in order to give notice of the terms, provisions and conditions of the Lease and the Agreement for Lease and Lessee's rights under the Lease and the Agreement for Lease, and is not intended, and shall not be construed, to define, limit, or modify the Lease. For further details, reference should be made to the Lease and the Agreement for Lease, copies of which are in the possession of each of the Lessor and the Lessee.

This Memorandum may be executed in two or more counterparts, each of which shall be considered an original, and all of which when taken together shall constitute one and the same document.

IN WITNESS WHEREOF, this Memorandum has been executed by Lessor and Lessee as of the day and year first above mentioned.

DEPOT HILL FUNDING, LIMITED PARTNERSHIP,
a Delaware limited partnership

By: Depot Hill Capital, Inc. its
general partner

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This Document is the property of
the Lake County Recorder
Name: *Janet M. Tomaselli*
Title: Vice President and Assistant Secretary

STOP

LAKESIDE ENERGY CORPORATION
an Indiana corporation



By: *Francis P. Grot*
Name: FRANCIS P. GROT
Title: Treasurer

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Francis P. Giret, who resides at Crown Point, Indiana, as the Treasurer of Lakeside Energy Corporation, an Indiana corporation, who acknowledged execution of the foregoing instrument.

Witness my hand and Notarial Seal this 24th day of September, 1996.

(Notarial Seal)
DONNA ANN PEKARSKY
Notary Public, State of New York
No. 31-4809891
Qualified in New York County
Commission Expires June 30, 1998

Donna Ann Pekarosky
Print: Donna Ann Pekarosky
Residing in New York County,
New York

STATE OF NEW YORK)
 : ss.:
COUNTY OF NEW YORK)

Before me, the undersigned, a Notary Public in and for said County and State, personally appeared Jean M. Tomasetti, who resides at New York, New York, as the Vice President of Depot Hill Capital, Inc., a Delaware corporation, which is the general partner of Depot Hill Funding, Limited Partnership, a Delaware limited partnership, who acknowledged execution of the foregoing instrument.

Witness my hand and Notarial Seal this 24th day of September, 1996.

(Notarial Seal)
DONNA ANN PEKARSKY
Notary Public, State of New York
No. 31-4809891
Qualified in New York County
Commission Expires June 30, 1998

Donna Ann Pekarosky
Print: Donna Ann Pekarosky
Residing in New York County,
New York

EXHIBIT A

Legal Description of Land

A parcel of land in the Northwest Quarter (NW 1/4) of Section Thirty-four (34) and the Southwest Quarter (SW 1/4) of Section Twenty-seven (27), Township Thirty-seven (37) North, Range Eight (8) West of the Second Principal Meridian, in the City of Gary, Lake County, Indiana, more particularly described as follows:

Commencing at the Southwest corner of said Section Thirty-four (34); thence South eighty-nine degrees, thirty-eight minutes, twenty-four seconds East (S 89°38'24" E) along the South line of said Section Thirty-four (34) (basis of bearings), one thousand nine hundred one and twenty-six hundredths feet (1,901.26'); thence North zero degrees, zero minutes, zero seconds East (N 00°00'00" E), five thousand fifty-one and six hundredths feet (5,051.06') to the Point of Beginning of this parcel, said point being five feet (5') West of the Northwest corner of the No. 4 Boiler House; thence continuing North zero degrees, zero minutes, zero seconds East (N 00°00'00" E), four hundred and six feet (406.00'); thence South ninety degrees, zero minutes, zero seconds East (S 90°00'00" E), one hundred feet (100.00'); thence South zero degrees, zero minutes, zero seconds West (S 00°00'00" W) four hundred and six feet (406.00'); thence North ninety degrees, zero minutes, zero seconds West (N 90°00'00" W), one hundred feet (100.00') to the Point of Beginning, containing Zero and nine hundred thirty-two thousandths of an acre, more or less.

