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This instrument is a Mortgage, Open End Mortgage, Deed of Trust, Trust Deed, Deed to Secure Debt, Assignment, Security Agreement and Financing Statement of both real and personal property, including fixtures. Notwithstanding anything to the contrary herein contained, (a) as to any property located in the States of California, Mississippi, Missouri, Nevada, Texas and Washington, this instrument is, among other things, a deed of trust; (b) as to any property located in the States of Alabama, Colorado, Florida, Idaho, Kansas, Maine, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, New York, Rhode Island, Vermont, Wisconsin, and Wyoming, this instrument is, among other things, a mortgage; (c) as to any property located in the State of Illinois, this instrument is, among other things, a trust deed; and (d) as to any property located in the State of Georgia, this instrument is, among other things, a deed to secure debt. For purposes of Section 49-2(c) of the Connecticut General Statutes and Section 5301.232 of the Ohio Revised Code, this instrument is, among other things, an OPEN END MORTGAGE. For the purposes of Section 443.055 of the Revised Statutes of Missouri, this instrument secures future advances. The total outstanding principal amount of indebtedness secured by this instrument shall not exceed Five Hundred Twelve Million and 00/100 Dollars (\$512,000,000). This instrument contains after-acquired property provisions and secures obligations containing provisions for changes in interest rates, extensions of time for payment and other modifications in the terms of the obligations.

MORTGAGE, OPEN END MORTGAGE, DEED OF TRUST,  
TRUST DEED, DEED TO SECURE DEBT,  
ASSIGNMENT, SECURITY AGREEMENT AND  
FINANCING STATEMENT

Dated as of November 19, 1982

DIAMOND INTERNATIONAL CORPORATION  
(formerly known as The Diamond Match Company,  
Diamond Gardner Corporation and  
Diamond National Corporation and successor by  
merger to the corporations listed on  
Schedule I attached hereto),  
Grantor

TO

PIONEER NATIONAL TITLE INSURANCE COMPANY,  
Trustee

OR

MANUFACTURERS HANOVER TRUST COMPANY,  
and  
LESLIE HOWARD SAVRAN, as trustees,  
Mortgagees

70 pages  
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MORTGAGE, OPEN END MORTGAGE, DEED OF TRUST, TRUST DEED, DEED TO SECURE DEBT, ASSIGNMENT, SECURITY AGREEMENT AND FINANCING STATEMENT (this "Mortgage"), dated as of November 19, 1982 by DIAMOND INTERNATIONAL CORPORATION (formerly known as "The Diamond Match Company", "Diamond Gardner Corporation" and "Diamond National Corporation" and successor by merger to the corporations listed on Schedule I attached hereto), a Delaware corporation having an office at 733 Third Avenue, New York, New York 10017, the mortgagor and trustor hereunder ("Grantor"), to PIONEER NATIONAL TITLE INSURANCE COMPANY, a California corporation having an office at 120 Broadway, New York, New York 10271, the trustee hereunder to the extent that this Mortgage operates as a deed of trust or trust deed ("Trustee"); and to MANUFACTURERS HANOVER TRUST COMPANY, a New York corporation having an office at 40 Wall Street, New York, New York 10015, and LESLIE HOWARD SAVRAN, an individual having an address at 40 Wall Street, New York, New York 10015, the mortgagees hereunder to the extent that this Mortgage operates as a mortgage or an open end mortgage, the beneficiaries hereunder to the extent that this Mortgage operates as a deed of trust or trust deed and the grantees hereunder to the extent that this Mortgage operates as a deed to secure debt (collectively "Mortgagee"), in their capacity as trustees for the holders of the Obligations (as hereinafter defined) pursuant to that certain trust agreement, dated as of November 10, 1982, among Mortgagee, Grantor and Diamond (USA) Inc., a Delaware Corporation having an office at 161 West Putnam Avenue, Greenwich, Connecticut 06830 (the "Trust Agreement").

W I T N E S S E T H :

WHEREAS, Diamond Acquisition Inc., a Delaware corporation ("DAI"), as borrower, has entered into a credit agreement (said credit agreement, as it may be amended, modified or supplemented from time to time, the "Credit Agreement") with Diamond (USA) Inc., as pledgor, and Citibank, N.A., as agent, and Citibank, N.A., Crocker National Bank, The First National Bank of Chicago, The Hongkong and Shanghai Banking Corporation (New York Branch), Marine Midland Bank, N.A., Wells Fargo Bank, N.A., North Carolina National Bank and Credit Lyonnais (New York Branch) (said banks and any banks that may hereafter become parties to the Credit Agreement, collectively the "Banks" and individually a "Bank");

WHEREAS, pursuant to the Credit Agreement and subject to the terms and conditions therein set forth, the Banks have agreed to make Advances (as defined in the Credit Agreement) from time to time, during the period from the First Closing Date (as defined in the Credit Agreement) through the date which is the earlier of (i) 53 months after the First Closing Date or (ii) the date of the termination in whole of the Commitments (as defined in the Credit Agreement) pursuant to the Credit Agreement, to DAI and, from and after the effectiveness of the merger of DAI into Grantor, to Grantor, in an aggregate amount not to exceed Four Hundred Fifty Five Million and 00/100 Dollars (\$455,000,000), bearing interest at a fluctuating rate equal to 1 1/2% per annum plus the higher of (a) the rate announced publicly by Citibank, N.A. in New York from time to time as its base rate and (b) 1/2 of 1 percent per annum above the latest three-week moving average of secondary market morning offering rates in the United States for three-month certificates of deposit of major United States money market banks, such three-week moving average being determined weekly by Citibank, N.A. on the basis of such rates reported by certificate of deposit dealers to and published by the Federal Reserve Bank of New York or, if such publication shall be terminated or suspended, on the basis of quotations for such rates received by Citibank, N.A. from three New York certificate of deposit dealers of recognized standing, in either case adjusted to the nearest 1/4 of one percent, or, if there is no nearest 1/4 of one percent, to the next higher 1/4 of one percent;

WHEREAS, the indebtedness of DAI and Grantor resulting from said advances is evidenced by eight promissory notes of DAI, to the order of each of the Banks in the amount of its Commitment (collectively the "Notes"), and each issued pursuant to the Credit Agreement and maturing 54 months after the First Closing Date. To the extent the Premises are located in the State of Idaho, then, for the purposes of Idaho Code Section 55-817, the maturity date of the Notes shall be deemed to be June 2, 1987;

WHEREAS, the total indebtedness and liabilities to be secured by this Mortgage amount to the sum of the following:

- (i) the aggregate principal of all advances made and to be made by the Banks under the Credit Agreement, the outstanding amount of which shall not exceed Four Hundred Fifty Five Million and 00/100 Dollars (\$455,000,000) at any time; plus

(ii) interest on the principal amount of all advances made and to be made by the Banks under the Credit Agreement, as provided in the Credit Agreement; plus

(iii) all other amounts payable under the Credit Agreement, the Notes, this Mortgage (other than any amounts described in (iv) below) and any other document which relates to any of the Credit Agreement or the Notes or any of the security therefor, in each case as the same may be amended, modified or supplemented from time to time (including advances to protect security and costs of enforcement) or the maturities thereof may be extended or renewed (all such amounts described in (i) - (iii) or the instruments evidencing same, as applicable, being herein collectively called the "Bank Obligations"); plus

(iv) all amounts payable under (x) those certain Note Purchase Agreements, each dated November 14, 1978, among Grantor and the purchasers named therein, pursuant to which Grantor issued certain notes in an aggregate principal amount of Seven Million and 00/100 Dollars (\$7,000,000), bearing interest at a rate of 8-3/4% per annum and due and payable on December 15, 1992, (y) the Indenture, dated as of September 1, 1976, between Grantor and The Chase Manhattan Bank (National Association), as trustee, pursuant to which Grantor issued certain debentures in an aggregate principal amount of Thirty Million and 00/100 Dollars (\$30,000,000), bearing interest at a rate of 8.35% per annum and due and payable on September 1, 2006 and (z) those certain Note Purchase Agreements, each dated July 15, 1971, among Grantor and the purchasers named therein, pursuant to which Grantor issued certain notes in an aggregate principal amount of Twenty Million and 00/100 Dollars (\$20,000,000), bearing interest at a rate of 8% per annum and due and payable on July 15, 1996, and any other document which relates to any of the instruments described in (x) - (z) or any of the security therefor, in each case as the same may be amended, modified or supplemented from time to time in accordance with Section 5.01(q) of the Credit Agreement (all such amounts described in this (iv) or the instruments evidencing same, as applicable, being herein collectively called the "Existing Obligations");

(the Bank Obligations and the Existing Obligations being herein collectively called the "Obligations"); and

WHEREAS, the Banks have required Grantor to execute and deliver this Mortgage as a condition precedent to the initial Advance.

NOW, THEREFORE, for and in consideration of One Dollar and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor, to ratably secure the punctual payment by Grantor when due, whether at stated maturity, by acceleration or otherwise, of the Obligations and the performance and observance of all other covenants, obligations and liabilities of DAI and Grantor under the Credit Agreement, this Mortgage or any other document which relates to the Obligations, including the Mortgages, the Security and Pledge Agreement, the DUSA Pledge Agreement and the Assumption Agreement (all as defined in the Credit Agreement) (such other documents being herein collectively called the "Mortgage Documents"), Grantor does hereby grant, bargain, sell, mortgage, warrant, convey, alien, remise, release, assign, transfer, grant a security interest in, set over, deliver and confirm unto Trustee in trust and to Mortgagee, as applicable, upon the terms and conditions of this Mortgage, with power of sale (to the extent permitted by applicable law), each and all of the real property, and further grants to Trustee and to Mortgagee, as applicable, a security interest in and to all other property, described in Granting Clauses One through Six below (all such real property and other property being herein collectively called the "Premises").

Notwithstanding anything to the contrary herein contained, in the following States, the principal amount of indebtedness secured by this Mortgage shall be limited to the amounts set forth opposite such State:

Alabama	One Million and 00/100 Dollars	(\$1,000,000)
Florida	Five Million and 00/100 Dollars	(\$5,000,000)
Georgia	One Million and 00/100 Dollars	(\$1,000,000)
Kansas	Five Million and 00/100 Dollars	(\$5,000,000)
Minnesota	Thirty Five Million and 00/100 Dollars	(\$35,000,000)
New York	Fifty Million and 00/100 Dollars	(\$50,000,000)

In the foregoing states, the security for such indebtedness shall not be reduced by any prepayment or repayment thereof so long as any portion of such indebtedness shall remain unpaid and that portion of such indebtedness last remaining unpaid shall be deemed secured hereby.

Notwithstanding anything to the contrary herein contained, (i) to the extent the Premises are located in any

of the following States, this Mortgage shall be deemed to be and shall be enforceable as a mortgage, assignment, security agreement and financing statement: Alabama, Colorado, Florida, Idaho, Kansas, Maine, Massachusetts, Michigan, Minnesota, Montana, New Hampshire, New York, Oregon, Rhode Island, Vermont, Wisconsin, Wyoming;

(ii) to the extent the Premises are located in any of the following States, this Mortgage shall be deemed to be and shall be enforceable as a deed of trust, assignment, security agreement and financing statement: California, Mississippi, Missouri, Texas, Washington, Nevada;

(iii) to the extent the Premises are located in any of the following States, this Mortgage shall be deemed to be and shall be enforceable as an open end mortgage, assignment, security agreement and financing statement: Connecticut, Ohio;

(iv) to the extent the Premises are located in the following State, this Mortgage shall be deemed to be and shall be enforceable as a trust deed, assignment, security agreement and financing statement: Illinois; and

(v) to the extent the Premises are located in the following State, this mortgage shall be deemed to be and shall be enforceable as a deed to secure debt, assignment, security agreement and financing statement: Georgia.

Wherever herein contained, the phrase "Trustee and Mortgagee, as applicable" or any similar phrase (1) shall be deemed to refer to Trustee for the benefit of Mortgagee, as beneficiary, to the extent the Premises are located in any of the States listed in subsections (ii) or (iv) above (except that, to the extent the Premises are located in the State of Nevada, with respect to personal property only, such phrases shall be deemed to refer to Mortgagee) and (2) shall be deemed to refer to Mortgagee (and, in the case of Georgia, to Mortgagee, as grantee) to the extent the Premises are located in any of the States listed in subsections (i), (iii) or (v) and Trustee shall have no rights, powers or obligations in those States. To the extent the Premises are located in any of the States listed in subsections (ii) or (iv) above, references to Mortgagee shall, if the context so requires, be deemed to be references to Mortgagee, as beneficiary.

Notwithstanding anything to the contrary herein contained, to the extent the Premises are located in the



State of Washington, the Premises are not used primarily for agricultural or farming purposes.

### GRANTING CLAUSES

All the estate, right, title and interest of Grantor in, to and under, or derived from:

#### GRANTING CLAUSE FIRST

##### Land

All those certain lot(s), piece(s) or parcel(s) of land more particularly described in Exhibit A, as the description of the same may be amended or supplemented from time to time and all and singular the reversions or remainders in and to said land and the tenements, hereditaments, easements, rights-of-way or use, rights (including alley, drainage, crop, timber, logging and cutting, agricultural, horticultural, mineral, water, oil and gas rights), privileges, royalties and appurtenances to said land, now or hereafter belonging or in anywise appertaining thereto, including any such right, title, interest in, to or under any agreement or right granting, conveying or creating, for the benefit of said land, any easement, right or license in any way affecting other property and in, to or under any streets, ways, alleys, vaults, gores or strips of land adjoining said land or any parcel thereof, or in or to the air space over said land, all rights of ingress and egress by motor vehicles to parking facilities on or within said land, and all claims or demands of Grantor, either at law or in equity, in possession or expectancy, of, in or to the same (all of the foregoing hereinafter collectively called the "Land").

#### GRANTING CLAUSE SECOND

##### Improvements

All buildings, structures, facilities and other improvements now or hereafter located on the Land, and all building material, building equipment and fixtures of every kind and nature now or hereafter located on the Land or attached to, contained in, or used in connection with, any such buildings, structures, facilities or other improvements, and all appurtenances and additions thereto and betterments,

renewals, substitutions and replacements thereof, owned by Grantor or in which Grantor has or shall acquire an interest (all of the foregoing hereinafter collectively called the "Improvements").

### GRANTING CLAUSE THIRD

#### Equipment and General Intangibles

All chattels and articles of personal property, and all appurtenances and additions thereto and betterments, renewals, substitutions and replacements thereof, of every character and wherever situated, now or hereafter owned, constructed or acquired by Grantor or in which Grantor has or shall acquire an interest, in any way belonging, relating or appertaining to, or used in connection with, or located on, the properties referred to in GRANTING CLAUSE FIRST, SECOND, FOURTH or FIFTH, or placed on any part thereof, though not attached thereto (all of the foregoing hereinafter collectively called the "Equipment"), including all partitions, screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, lighting, plumbing, ventilating, air conditioning, refrigerating, gas, steam, electrical, incinerating, compacting plants, systems, fixtures and equipment, elevators, escalators, ranges, vacuum and other cleaning systems, call systems, switchboards, sprinkler systems and other fire prevention and extinguishing apparatus and materials, engines, compressors, generators, pipes, conduits, furnaces, pumps, tanks, appliances, equipment, utensils, tools, implements, fittings and fixtures and all permits, licenses, franchises, certificates and other rights, privileges obtained in connection with the Premises. Without limitation, Grantor hereby grants to Trustee and Mortgagee, as applicable, a security interest in and to all of Grantor's present and future "equipment" and "general intangibles" (as defined in the Uniform Commercial Code of the State in which the Premises are located, and Trustee and Mortgagee, as applicable, shall have, in addition to all rights and remedies provided in the Mortgage Documents, all of the rights and remedies of a "secured party" under said Uniform Commercial Code. This Mortgage constitutes and shall be deemed to be a "security agreement" for all purposes of said Uniform Commercial Code. If the lien of this Mortgage is subject to a security interest covering any property described in this Granting Clause Third, then all of the right, title and interest of Grantor in and to any and all



such property is hereby assigned to Trustee and Mortgagee, as applicable, together with the benefits of all deposits and payments now or hereafter made thereon by or on behalf of Grantor.

#### GRANTING CLAUSE FOURTH

##### Leasehold and Other Contractual Interests

All the leases, lettings and licenses of, and all other contracts and agreements affecting, the Land, the Improvements, the Equipment and/or any other property or rights mortgaged or otherwise conveyed or encumbered hereby, or any part thereof, now or hereafter entered into, and all amendments, modifications, supplements, additions, extensions and renewals thereof, and all right, title and interest of Grantor thereunder, including cash and securities deposited thereunder, the right to receive and collect the rents, income, proceeds, issues and profits payable thereunder and the rights to enforce, whether at law or in equity or by any other means, all provisions and options thereof, including, to the extent the Premises are located in the State of Michigan, all rights conferred by Act No. 210 of the Michigan Public Acts of 1953, as amended by Act No. 151 of the Michigan Public Acts of 1966 (M.C.L.A. 554.231, et seq.) and Act No. 228 of the Michigan Public Acts of 1925, as amended by Act No. 55 of the Michigan Public Acts of 1933 (M.C.L.A. 554.211, et seq.).

#### GRANTING CLAUSE FIFTH

##### Other and After Acquired Property

Any and all moneys, goods, accounts, chattel paper, general intangibles, documents, instruments, contract rights and other property, of every kind and nature in which Grantor has or obtains an interest which may from time to time be subjected to the lien hereof by Grantor, through a supplement to this Mortgage or otherwise, or by any other person or entity, or which may come into the possession of or be subject to the control of Trustee or Mortgagee, it being the intention and agreement of Grantor that all property hereafter acquired or constructed by Grantor shall forthwith upon acquisition or construction thereof by Grantor and without any act or deed by Grantor be subject to the lien and security interest of this Mortgage as if such property were now owned by Grantor and were specifically described in this Mortgage and conveyed or encumbered hereby or pursuant

hereto, and Trustee and Mortgagee are hereby authorized to receive any and all such property as and for additional security hereunder.

#### GRANTING CLAUSE SIXTH

##### Proceeds and Awards

All unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by Grantor, all proceeds of the conversion, voluntary or involuntary, of any of the property described in these Granting Clauses into cash or other liquidated claims, including proceeds of hazard, title and other insurance, and all judgments, damages, awards, settlements and compensation (including interest thereon) heretofore or hereafter made to the present and all subsequent owners of the Land, the Improvements, the Equipment and/or any other property or rights encumbered or conveyed hereby for any injury to or decrease in the value thereof for any reason, or by any governmental or other lawful authority for the taking by eminent domain, condemnation or otherwise of all or any part thereof, including awards for any change of grade of streets.

TO HAVE AND TO HOLD, subject to the matters described in Exhibit B ("Permitted Encumbrances"), all and singular the Premises, whether now owned or leased or hereafter acquired and whether now or hereafter existing, together with all the rights, privileges and appurtenances thereunto belonging, unto Trustee and Mortgagee, as applicable, forever, for the uses and purposes herein set forth.

Notwithstanding anything to the contrary herein contained, this Mortgage shall become effective only upon the filing with the Secretary of State of the State of Delaware of the Articles of Merger of DAI into Grantor, as contemplated by the Credit Agreement.

AND Grantor covenants and agrees with Trustee and Mortgagee as follows:

#### ARTICLE I

##### Representations and Warranties of Grantor

SECTION 1.01. Warranty of Title. (i) Grantor has and will have good, marketable and insurable fee simple title to the Premises, free and clear of all liens, charges and

encumbrances of every kind and character, subject only to Permitted Encumbrances; (ii) Grantor has and will have full power and lawful authority to encumber and convey the Premises as provided herein; (iii) Grantor owns and will own all of the Equipment, free and clear of all liens, charges and encumbrances of every kind and character, subject only to Permitted Encumbrances and to liens permitted under Section 5.02(a) of the Credit Agreement; (iv) this Mortgage is and will remain a valid and enforceable lien on, and security interest in, the Premises, subject only to Permitted Encumbrances; and (v) Grantor hereby warrants and will forever warrant and defend such title and the validity, enforceability and priority of the lien and security interest hereof against the claims of all persons and parties whomsoever.

SECTION 1.02. Due Incorporation and Good Standing. Grantor is a corporation duly organized and existing in good standing under the law of Delaware and is duly qualified and in good standing to do business in the State in which the Premises are located.

SECTION 1.03. Corporate Authority; Binding Obligation; and Other Matters. Grantor has full power and authority to own its properties (including the Premises) and carry out its business as presently conducted and as proposed to be conducted. The execution, delivery, recordation, filing and performance of the Credit Agreement, the Mortgage Documents and this Mortgage have been duly authorized by all necessary action of Grantor, and the Credit Agreement, the Mortgage Documents and this Mortgage constitute the legal, valid and binding obligations of Grantor, enforceable against Grantor in accordance with their respective terms. None of such execution, delivery, recordation or performance (i) violate any provision of the charter or by-laws of Grantor nor of any law, rule, regulation, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Grantor, any of its properties or this Mortgage, (ii) result in or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest or other charge or encumbrance of any nature (other than as is constituted hereby) on the Premises or (iii) require the consent of the stockholders of Grantor or any lienholders prior in rank to this Mortgage or the authorization, consent or approval of, or any license from, or any filing or registration with, any governmental or quasi-governmental body (except the recordation of this

Mortgage in the appropriate land records and the filing of appropriate related Uniform Commercial Code filings).

SECTION 1.04. Bankruptcy. Grantor is solvent, and no bankruptcy, insolvency or similar proceeding is pending or contemplated by or against Grantor.

SECTION 1.05. Existing Defaults. There is no existing default by Grantor under the Credit Agreement, the Mortgage Documents, this Mortgage or Permitted Encumbrances, and no event has occurred which, with notice or the passage of time or both, would constitute or result in such a default.

SECTION 1.06. Certificates and Permits. (i) Grantor has and will maintain in effect all necessary certificates, licenses, authorizations, registrations, permits and/or approvals necessary for the operation of all or any part of the Premises, the conduct of Grantor's business at the Premises, and the commencement or continuation of construction on the Premises, including, where appropriate, a Permanent Certificate of Occupancy and Board of Fire Underwriters Certificate for those portions of the Improvements which have been completed as of the date hereof and all required zoning ordinance, building code, land use, environmental and other similar permits or approvals, all of which as of the date hereof are in full force and effect and not subject to any revocation, amendment, release, suspension or forfeiture, (ii) the present and contemplated use and/or occupancy of the Premises does not conflict with or violate any of the same and (iii) Grantor, promptly upon request by Mortgagee or Trustee, shall deliver to Trustee and Mortgagee copies of all of the same.

SECTION 1.07. No Actions Pending. Except as noted in the Credit Agreement, there is no action, suit or proceeding, judicial, administrative or otherwise (including any condemnation or similar proceeding), pending or threatened or, to the best of Grantor's knowledge, contemplated against or affecting Grantor or the Premises.

SECTION 1.08. Utilities; Roads; Damage. (i) The Premises are served by all utilities required for the present use thereof; (ii) all streets and roads (other than streets and roads located within such portion of the Premises on which timber is grown for the purpose of cutting and sale ("Timberland")) necessary to serve the Premises for the use thereof as herein contemplated have been completed and are serviceable and have been dedicated or accepted by the

appropriate governmental entities; and (iii) the Premises are free from damage caused by fire or other casualty.

SECTION 1.09. Statements, etc. Correct. All reports, statements, certificates and other data furnished by or on behalf of Grantor to Trustee or Mortgagee in connection with the Credit Agreement, the Mortgage Documents or this Mortgage, or the transactions contemplated thereunder or hereunder, and all representations and warranties made herein or in the Credit Agreement or the Mortgage Documents, or any certificate or other instrument delivered in connection herewith or therewith, are true and correct in all material respects and do not omit to state any material fact or circumstance necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading as of the date of such information, reports, statements or certificates.

## ARTICLE II

### Covenants of Grantor:

#### SECTION 2.01. General Covenants.

(a) Payment of Obligations. Grantor will punctually pay when due the Obligations, and will perform and observe all of its obligations under and all of the provisions of the Credit Agreement, the Mortgage Documents and this Mortgage.

(b) Compliance with other Requirements. Grantor will perform and observe all of the provisions of any of the documents or requirements referred to in Sections 1.02, 1.05 and 1.06 and applicable to Grantor, any of its properties or this Mortgage, noncompliance with which would materially and adversely affect Grantor, the Premises or the lien or priority of this Mortgage or the security afforded hereby.

(c) Good Standing. Grantor will maintain in good standing its corporate existence, franchises, rights and privileges under the law of Delaware and its right to transact business in the State in which the Premises are located, and will not dissolve, liquidate, terminate or otherwise dispose, directly or indirectly or by operation of law, of all or substantially all of its assets to any Person (as defined in the Credit Agreement) without Mortgagee's consent, except as otherwise permitted by Section 5.02(e) of the Credit Agreement.

(d) Further Assurances. Grantor will, at the request of Trustee or Mortgagee, (i) promptly correct any defect, error or omission which may be discovered in the contents of the Credit Agreement, any Mortgage Document or this Mortgage, or in the execution, acknowledgment or recordation thereof or hereof, (ii) promptly do, execute, acknowledge and deliver any and all such further acts, deeds, conveyances, mortgages, deeds of trust, assignments, estoppel certificates, financing statements and continuations thereof, notices of assignment, transfers, certificates, assurances and other instruments as Trustee or Mortgagee may reasonably require from time to time in order to effectuate the purposes of this Mortgage, to subject to the lien and security interest hereby created any of Grantor's properties, rights or interests covered or now or hereafter intended to be covered hereby, to perfect and maintain said lien and security interest, and to convey, grant, assign, transfer and confirm unto Trustee and Mortgagee the rights granted or now or hereafter intended to be granted to Trustee or Mortgagee hereunder or under any other instrument executed in connection with this Mortgage or which Grantor may be or become bound to convey, mortgage or assign to Trustee or Mortgagee in order to carry out the intention or facilitate the performance of the provisions of this Mortgage.

(e) Filing and Recording. Grantor will, at the request of Trustee or Mortgagee, promptly record and re-record, file and refile and register and re-register this Mortgage, any financing or continuation statements and every other instrument in addition or supplemental to any thereof that shall be required by law in order to perfect and maintain the validity, effectiveness and priority of this Mortgage and the lien and security interest intended to be created hereby, or to subject after-acquired property of Grantor or proceeds to such lien and security interest, in such manner and places and within such times as may be necessary to accomplish such purposes and to preserve and protect the rights and remedies of Trustee or Mortgagee. Grantor will furnish to Trustee and Mortgagee evidence satisfactory to them of every such recording, filing or registration.

(f) Protection of Lien; Defense of Action. If the lien, security interest, validity or priority of this Mortgage, or if title or any of the rights of Grantor, Trustee or Mortgagee in or to the Premises, shall be endangered or questioned, or shall be attacked directly or indirectly, or if any action or proceeding is instituted



against Grantor, Trustee or Mortgagee with respect thereto, Grantor will promptly notify Trustee and Mortgagee thereof and will diligently endeavor to cure any defect which may be developed or claimed, and will take all necessary and proper steps for the defense of such action or proceeding, including the employment of counsel, the prosecution or defense of litigation and, subject to Mortgagee's approval, the compromise, release or discharge of any and all adverse claims. Trustee and Mortgagee, or either of them (whether or not named as a party to such actions or proceedings), are hereby authorized and empowered (but shall not be obligated) to take such additional steps as they may deem necessary or proper for the defense of any such action or proceeding or the protection of the lien, security interest, validity or priority of this Mortgage or of such title or rights, including the employment of counsel, the prosecution or defense of litigation, the compromise, release or discharge of such adverse claims, the purchase of any tax title and the removal of prior liens and security interests. Grantor shall, on demand, reimburse Trustee and Mortgagee for all expenses (including attorneys' fees and disbursements) incurred by either of them in connection with the foregoing matters, and the party incurring such expenses shall be subrogated to all rights of the person receiving such payment.

SECTION 2.02. Operation and Maintenance.

(a) Repair and Maintenance. Grantor will operate and maintain the Premises in good order, repair and operating condition, will promptly make all necessary repairs, renewals, replacements, additions and improvements thereto, interior and exterior, structural and nonstructural, foreseen and unforeseen, or otherwise necessary to insure that the same as part of the security under this Mortgage shall not in any way be diminished or impaired, and will not cause or allow any of the Premises to be misused or wasted or to deteriorate; provided, however, that nothing herein contained shall be construed as a prohibition against the cutting of, or the customary methods of maintaining, any standing timber in the ordinary course of Grantor's business, as presently constituted.

(b) Replacement of Equipment. Grantor will keep the Premises fully equipped and will replace all worn-out or obsolete fixtures or personal property which form a part of the Premises with fixtures or personal property comparable thereto on the date of this Mortgage, and will not, without

Mortgagee's consent, remove from the Premises any fixtures or personalty covered by this Mortgage unless the same is replaced by Grantor with an article of equal suitability and value when new, owned by Grantor free and clear of any lien or security interest (other than Permitted Encumbrances and the lien and security interest created by this Mortgage). No part of the Improvements shall be removed, demolished or structurally or materially altered (including an alteration which impairs the value thereof), nor shall any new building, structure, facility or other improvement be constructed on the Land without Mortgagee's consent.

(c) Inventory. Upon Mortgagee's request from time to time, Grantor will deliver to Mortgagee an inventory describing and showing the make, model, serial number and location of all fixtures and personal property constituting part of or used in the management, maintenance and operation of the Premises, together with a certification by Grantor that said inventory is a true and complete schedule of all such fixtures and personal property, that no other fixtures or personal property are required in the management, maintenance and operation of the Premises, and that all such items are owned by Grantor free and clear of any lien or security interest except as permitted hereunder.

(d) Compliance with Laws. Grantor will perform and comply promptly with, and cause the Premises to be maintained, used and operated in accordance with, any and all (i) present and future laws, ordinances, rules, regulations and requirements of every duly constituted governmental or quasi-governmental authority or agency applicable to Grantor or the Premises, (ii) similarly applicable orders, rules and regulations of any regulatory, licensing, accrediting, insurance underwriting or rating organization or other body exercising similar functions, (iii) similarly applicable duties or obligations of any kind imposed under any Permitted Encumbrance or otherwise by law, covenant, condition, agreement or easement, public or private, and (iv) policies of insurance at any time in force with respect to the Premises. If Grantor receives any notice that Grantor or the Premises is in default under or is not in compliance with any of the foregoing, or notice of any proceeding initiated under or with respect to any of the foregoing, Grantor will promptly furnish a copy of such notice to Mortgagee.

(e) Use. Grantor will not use or occupy, or permit the Premises to be used or occupied, in any manner which violates any applicable law, rule, regulation or order, or



which constitutes a public or private nuisance or which makes void, voidable or cancellable, or increases the premium of, any insurance then in force with respect thereto.

(f) Zoning; Title Matters. Grantor will not, without Mortgagee's consent, (i) initiate or support any zoning reclassification of the Premises, seek any variance under existing zoning ordinances applicable to the Premises or use or permit the use of the Premises in a manner which would result in such use becoming a non-conforming use under, or violate, applicable zoning ordinances, (ii) modify, amend or supplement any Permitted Encumbrances, (iii) impose any restrictive covenants or encumbrances upon the Premises, execute or file any subdivision plat affecting the Premises or consent to the annexation of the Premises to any municipality or (iv) permit or suffer the Premises to be used by the public or any person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement or easement by prescription.

SECTION 2.03. Insurance.

(a) Casualty Insurance. Grantor will keep the Improvements and the Equipment insured for the benefit of Trustee, Mortgagee and the holders of the Obligations as follows:

(i) against damage or loss by fire and such other hazards (including lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, vandalism, malicious mischief, aircraft, vehicle and smoke, but excluding earthquake or flood) as are covered by the broadest form of extended coverage endorsement as is available from time to time in the State in which the Premises are located, in an amount not less than the actual replacement cost thereof (as defined in subsection (h) of this Section);

(ii) against war risks as, when and to the extent such insurance is obtainable from the United States of America or an agency or instrumentality thereof and for the maximum obtainable amount of such insurance;

(iii) against damage or loss from (i) sprinkler system leakage and (ii) boilers, boiler tanks, heating and air conditioning equipment, pressure vessels, auxiliary piping and similar apparatus, on such basis and in such amounts as shall be required by Mortgagee; and

(iv) during the period of any construction, repair, restoration or replacement of the Improvements and the Equipment, a standard all-risk builder's risk policy with extended coverage, including coverage against collapse, written on a completed value basis, for an amount at least equal to the actual replacement cost of the Improvements and the Equipment.

(b) Liability Insurance. Grantor shall procure and maintain comprehensive public liability insurance covering Grantor, Trustee, Mortgagee and the holders of the Obligations against claims for bodily injury or death or property damage occurring in, on or about or resulting from the Premises, or any street, drive, sidewalk, curb or passageway adjacent thereto, in standard form and with such insurance company or companies and in such amounts as may be acceptable to Mortgagee, which insurance shall include blanket contractual liability coverage which insures contractual liability under any indemnification in the Credit Agreement, the Mortgage Documents or this Mortgage of Trustee, Mortgagee or the holders of the Obligations by Grantor (but such coverage or the amount thereof shall in no way limit such indemnification).

(c) Other Insurance. Grantor, at Mortgagee's request, will procure and maintain such other insurance or such additional amounts of insurance, covering Grantor or the Premises, as Mortgagee shall from time to time require and which are reasonable or customary considering the then use of the Premises.

(d) Form of Policy. All insurance required under this Section shall contain such provisions, endorsements and expiration dates, be in such form and amounts, and be issued by such insurance companies, as shall be dictated by prudent management, or as Mortgagee shall from time to time otherwise reasonably require. Without limiting the foregoing, all such policies shall have endorsed thereon, in form reasonably acceptable to Mortgagee, the New York Standard Mortgage Clause, or local equivalent, without contribution, in the name of Trustee, Mortgagee and the holders of the Obligations, and a waiver of subrogation endorsement. All such policies shall provide that the same will not be cancelled, amended or materially altered (including by reduction in the scope or limits of coverage) without at least thirty (30) days' notice (or, if less than thirty (30) days shall be available, then such lesser number of days as shall be available) to Mortgagee.

(e) Duplicate Originals. Duplicate original policies evidencing the insurance required under this Section and any additional insurance which shall be taken out on the Premises by or on behalf of Grantor shall be deposited with and held by Mortgagee and, in addition, Grantor will deliver to Mortgagee (i) receipts evidencing payment of all premiums thereon and (ii) duplicate original renewal policies with evidence satisfactory to Mortgagee of payment of all premiums thereon, at least thirty (30) days prior to the expiration of each such policy. In lieu of the duplicate original policies provided herein to be delivered to Mortgagee, Grantor may deliver original certificates from the issuing insurance company, evidencing that such policies are in full force and effect and containing information which, in Mortgagee's reasonable judgment, is sufficient to allow Mortgagee to determine whether such policies comply with the requirements of this Section.

(f) No Separate Insurance. Grantor shall not carry separate or additional insurance concurrent in form or contributing in the event of loss with that required under this Section unless endorsed in favor of Trustee, Mortgagee and the holders of the Obligations in accordance with the requirements of this Section and otherwise approved by Mortgagee in all respects.

(g) Transfer of Title. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the Premises in extinguishment, in whole or in part, of the Obligations, all right, title and interest of Grantor in and to all policies of insurance required under this Section or otherwise then in force with respect to the Premises and all proceeds payable thereunder and unearned premiums thereon shall immediately vest in the purchaser or other transferee of the Premises.

(h) Replacement Cost. For purposes of this Section, the term "replacement cost" shall mean the cost of replacing the Improvements and the Equipment, exclusive of the cost of excavations, foundations and footings, as determined from time to time (but not less often than once every three (3) years) by the insurance company or companies holding such insurance or by an appraiser, engineer, architect or contractor proposed by Grantor and approved by said company or companies and Mortgagee.

SECTION 2.04. Damage and Destruction.

(a) Grantor's Obligations. In the event of any damage to or loss or destruction of the Premises, Grantor shall (i) promptly notify Mortgagee of such event and take such steps as shall be necessary to preserve any undamaged portion of the Premises and (ii) unless otherwise instructed by Mortgagee shall (except to the extent in violation of Section 5.02(h) of the Credit Agreement, unless such violation shall be waived by the Banks) promptly, regardless whether the insurance proceeds, if any, shall be sufficient for the purpose or shall be otherwise applied by Mortgagee as provided herein, commence and diligently pursue to completion (except with respect to Timberland) the restoration, replacement, rebuilding or (with respect to Timberland) such reforestation as may be customary in the industry of the Premises as nearly as possible to their value, condition and character immediately prior to such damage, loss or destruction and in accordance with plans and specifications approved, and with other provisions for the preservation of the security hereunder established, by Mortgagee.

(b) Mortgagee's Rights; Application of Proceeds.  
In the event that any portion of the Premises is so damaged, destroyed or lost, and such damage, destruction or loss is covered, in whole or in part, by insurance described in Section 2.03, then (i) Mortgagee may, but shall not be obligated to, make proof of loss if not made promptly by Grantor and is hereby authorized and empowered by Grantor to settle, adjust or compromise any claims for damage, destruction or loss thereunder, (ii) in the event that an Event of Default has occurred and is continuing hereunder or under the Credit Agreement or in the event that the insurance proceeds are in excess of the greater of (x) Two Million and 00/100 Dollars (\$2,000,000) or (y) 25% of the gross asset value, before depreciation, of the asset damaged, destroyed or lost, each insurance company concerned is hereby authorized and directed to make payment therefor directly to Mortgagee, and (iii) in the event that an Event of Default has occurred and is continuing hereunder or under the Credit Agreement or in the event that the insurance proceeds are in excess of the greater of (x) Two Million and 00/100 Dollars (\$2,000,000) or (y) 25% of the gross asset value, before depreciation, of the asset damaged, destroyed or lost, Mortgagee shall have the right to apply the insurance proceeds, first, to reimburse Trustee, Mortgagee and the holders of the Obligations for all reasonable costs and expenses, including attorneys' fees and disbursements, incurred in connection with the collection of such proceeds, and, second, the remainder of such proceeds shall be applied, at Mortgagee's option, in payment (without premium or penalty) of all or any part of the Obligations in accordance with the Trust Agreement, in the order and manner determined by Mortgagee in its sole discretion (provided that the remainder of the Obligations shall continue in full force and effect and Grantor shall not be excused in the payment

thereof), or to the cure of any then current default hereunder, or to the repair, restoration, replacement or, with respect to Timberland, customary reforestation, in whole or in part, of the portion of the Premises so damaged, destroyed or lost. Any insurance proceeds held by Mortgagee to be applied to the Premises shall be paid out from time to time upon compliance by Grantor with such reasonable provisions as may be imposed by Mortgagee. Interest, if any, actually earned on any insurance proceeds held by Mortgagee to be applied to the Premises shall be credited to such insurance proceeds, for the benefit of Grantor. Notwithstanding anything herein or at law or in equity to the contrary, none of the insurance proceeds paid to Mortgagee as herein provided shall be deemed trust funds and Mortgagee shall be entitled to dispose of such proceeds as provided in this Section and Section 2.03. Grantor expressly assumes all risk of loss, including a decrease in the use, enjoyment or value, of the Premises from any casualty whatsoever, whether or not insurable or insured against.

(c) Release of Damaged Premises. In the event that Mortgagee elects to apply the remainder of such proceeds in payment of all or any part of the Obligations, as provided in Section 2.04(b) above, and the amount of such remainder shall equal or exceed the fair market value of the portion of the Premises so damaged, destroyed or lost immediately preceding such damage, destruction or loss (or if less than such amount and Grantor shall pay to Mortgagee the difference between such fair market value and such remainder, which payment shall be applied by Mortgagee in payment (without premium or penalty) of all or any part of the Obligations), Trustee and/or Mortgagee, as applicable, shall, at the request of Grantor, deliver to Grantor, in recordable form, all such documents as may be necessary to release of record the portion of the Premises so damaged, destroyed or lost from the liens, security interests, conveyances and assignments evidenced hereby. Notwithstanding anything in the preceding sentence to the contrary, Trustee shall so release such portion of the Premises only upon the direction of Mortgagee.

#### SECTION 2.05. Condemnation.

(a) Grantor's Obligations; Proceedings. Grantor, immediately upon obtaining knowledge of any pending or threatened institution of any proceedings for the condemnation of the Premises or of any right of eminent domain, or of any other proceedings arising out of injury or damage to the Premises, will notify Mortgagee of the threat

or pendency thereof. Mortgagee may participate in any such proceedings, and Grantor from time to time will execute and deliver to Mortgagee all instruments requested by Mortgagee to permit such participation. Grantor shall, at its expense, diligently prosecute any such proceedings, deliver to Mortgagee copies of all papers served in connection therewith and consult and cooperate with Mortgagee, its attorneys and agents, in the carrying on and defense of any such proceedings, provided that no settlement of any such proceeding shall be made by Grantor without Mortgagee's consent. 16005

(b) Mortgagee's Rights to Proceeds. In the event the proceeds of condemnation awards or proceeds of sale in lieu of condemnation, together with the judgments, decrees and awards for injury or damage to the Premises, are in excess of the greater of (x) Two Million and 00/100 Dollars (\$2,000,000) or (y) 25% of the gross asset value, before depreciation, of the Premises condemned, or if an Event of Default has occurred and is continuing hereunder or under the Credit Agreement, such proceeds, judgments, decrees and awards are hereby assigned and shall be paid to Mortgagee. Grantor agrees to execute and deliver such further assignments thereof as Mortgagee may request and authorizes Mortgagee to collect and receive the same, to give receipts and acquittances therefor, and to appeal from any such judgment, decree or award. Mortgagee shall in no event be liable or responsible for failure to collect, or exercise diligence in the collection of, any of the same.

(c) Application of Proceeds. Mortgagee shall have the right to apply any proceeds, judgments, decrees or awards referred to in subsection (b) of this Section, first, to reimburse Trustee and Mortgagee for all reasonable costs and expenses, including attorneys' fees, incurred in connection with the proceeding in question or the collection of such amounts, and, second, subject to Section 2.04(c), the remainder thereof as provided in Section 2.04(b) for insurance proceeds held by Mortgagee.

(d) Effect on the Obligations. Notwithstanding any condemnation, taking or other proceeding referred to in this Section causing injury to or decrease in value of the Premises (including a change in grade of any street), but, subject to the Banks' rights under Section 6.01(g) of the Credit Agreement, Grantor shall continue to pay the Obligations as provided herein until any such proceeds, judgment, decree or award shall have actually been received by Trustee or Mortgagee, and applied against the Obligations, and any reduction in the Obligations resulting from such application shall be deemed to take effect only on the date of such receipt, provided that, if prior to the receipt by



Trustee or Mortgagee of such proceeds, judgment, decree or award the Premises shall have been sold on foreclosure of this Mortgage or otherwise, Mortgagee shall have the right to receive the same to the extent of any deficiency found to be due upon such sale, whether or not a deficiency judgment on this Mortgage shall have been sought, recovered or denied, together with attorneys' fees and disbursements incurred by Trustee or Mortgagee in connection with the collection thereof.

SECTION 2.06. Liens and Liabilities.

(a) Discharge of Liens. Grantor will pay, bond or otherwise discharge, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in, or permit the creation of, a lien on the Premises, or on the revenues, rents, issues, income or profits arising therefrom and, in general, Grantor shall do, or cause to be done, at Grantor's sole cost and expense, everything necessary to fully preserve the lien, security interest and priority of this Mortgage.

(b) Creation of Liens. Except as permitted under Section 5.02(a) of the Credit Agreement, Grantor will not, without Mortgagee's consent, create, place or permit to be created or placed, or through any act or failure to act acquiesce in the placing of, or allow to remain, any deed of trust, mortgage, trust deed, deed to secure debt, voluntary or involuntary lien, whether statutory, constitutional or contractual (except for the lien for ad valorem taxes on the Premises or assessments which are not yet due and payable), security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Premises, prior to, on a parity with or subordinate to the lien of this Mortgage, other than Permitted Encumbrances. If any of the foregoing becomes attached to the Premises without such consent, Grantor will promptly cause the same to be discharged and released.

(c) No Consent. Nothing in the Credit Agreement, the Mortgage Documents or this Mortgage shall be deemed or construed in any way as constituting the consent or request by Trustee or Mortgagee, express or implied, to any contractor, subcontractor, laborer, mechanic or materialman for the performance of any labor or the furnishing of any material for any improvement, construction, alteration or repair of the Premises. Grantor further agrees that neither

Trustee nor Mortgagee stand in any fiduciary relationship to Grantor.

SECTION 2.07. Taxes and Other Charges.

(a) Taxes on the Premises. Grantor will pay when due, and before any penalty, interest or cost for non-payment thereof may be added thereto, all taxes, assessments, vault, water and sewer rents, rates, charges and assessments, levies, permits, inspection and license fees and other governmental and quasi-governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, heretofore or hereafter assessed, levied or otherwise imposed against or upon, or which may become a lien upon, the Premises or any part thereof or any appurtenance thereto, or the revenues, rents, issues, income and profits of the Premises or arising in respect of the occupancy, use or possession thereof (collectively, "Impositions"). Grantor will also pay any penalty, interest or cost for non-payment of Impositions which may become due and payable. To the extent the Premises are located in the State of Michigan, the failure of Grantor to pay any Impositions against the Premises shall constitute waste, as provided by Act No. 236 of the Michigan Public Acts of 1961, as amended (M.C.L.A. 600.2927). Grantor further hereby consents to the appointment of a receiver under said statute, in the event Mortgagee elects to seek such relief thereunder.

(b) Receipts. Unless Grantor is making monthly deposits pursuant to Section 2.08, upon Mortgagee's request, Grantor will furnish to Mortgagee, within 20 days, validated receipts showing payment in full of all Impositions due and payable through the date of such request.

(c) Income and Other Taxes. Grantor will promptly pay all income, franchise and other taxes owing by Grantor, and any stamp taxes which may be required to be paid in connection with the Obligations, this Mortgage or any other Mortgage Document, together with any interest or penalties thereon, and Grantor will pay any and all taxes, charges, filing, registration and recording fees, excises and levies (other than income, franchise and doing business taxes) imposed upon Mortgagee or the holders of the Obligations by reason of execution of the Credit Agreement, the Mortgage

Documents or this Mortgage or ownership of this Mortgage or any mortgage supplemental hereto, any security instrument with respect to any Equipment or any instrument of further assurance.



(d) Brundage Clause. In the event of the enactment after the date hereof of any law in the State in which the Premises are located or any other governmental entity deducting from the value of the Premises for the purpose of taxation any lien or security interest thereon, or changing in any way the laws for the taxation of mortgages, deeds of trust or other liens or debts secured thereby, or the manner of collection of such taxes, so as to affect this Mortgage, the Obligations, Mortgagee or the holders of the Obligations, then, and in such event, Grantor shall, on demand, pay to Mortgagee or such holder, or reimburse Mortgagee or such holder for payment of, all taxes, assessments, charges or liens for which Mortgagee or such holder is or may be liable as a result thereof, provided that if any such payment or reimbursement shall be unlawful or would constitute usury or render the Obligations wholly or partially usurious under applicable law, then Mortgagee may, at its option, declare the Obligations immediately due and payable or require Grantor to pay or reimburse Mortgagee for payment of the lawful and non-usurious portion thereof.

#### SECTION 2.08. Tax and Insurance Deposits.

(a) Amount of Deposits. To further secure Grantor's obligations under Sections 2.03 and 2.07, but not in lieu thereof, Mortgagee, at its option, may require that Grantor deposit with Trustee or with such service or financial institution as Mortgagee may direct monthly, one-twelfth (1/12) of the annual Impositions and premiums for insurance required under Section 2.03, and Grantor shall, accordingly, make such deposits. In addition, if required by Mortgagee, Grantor shall also deposit with Mortgagee a sum of money which, together with the aforesaid monthly installments, will be sufficient to make each of said payments of Impositions and premiums, at least 10 days before such payments are due. If the amount of any such payments is not ascertainable at the time any such deposit is required to be made, the deposit shall be made on the basis of Mortgagee's estimate thereof, and, when such amount is fixed for the then-current year, Grantor shall promptly deposit any deficiency with Mortgagee.

(b) Use of Deposit. All funds so deposited shall, until so applied, constitute additional security for the Obligations, shall be held by Mortgagee in a separate account, with interest, if any, actually earned on such funds credited to such account, for the benefit of Grantor, and, provided that no Event of Default (as defined in Section

6.01) shall have occurred and be continuing hereunder, shall be applied in payment of the aforesaid amounts prior to their becoming delinquent, to the extent that Mortgagee shall have such funds on hand, provided that Mortgagee shall have no obligation to use said funds to pay any installment of Impositions prior to the last day on which payment thereof may be made without penalty or interest or to pay an insurance premium prior to the due date thereof. It shall be Grantor's responsibility to furnish Mortgagee with bills or invoices therefor in sufficient time to pay the same before any penalty or interest attaches and before said policies of insurance lapse, and Mortgagee shall have no responsibility for payment of the same in the absence of such bills or invoices. If an Event of Default shall have occurred and be continuing hereunder, or if the Obligations shall be accelerated as herein provided, all funds so deposited may, at Mortgagee's option, be applied to the Obligations in the order determined by Mortgagee or to cure said Event of Default or as provided in this Section.

(c) Transfer of Mortgage. Upon an assignment or other transfer of this Mortgage, Trustee or Mortgagee shall have the right to pay over the balance of such deposits in its possession to the assignee or other successor, and Trustee and Mortgagee shall thereupon be completely released from all liability with respect to such deposits and Grantor or the owner of the Premises shall look solely to the assignee or transferee with respect thereto. This provision shall apply to every transfer of such deposits to a new assignee or transferee.

(d) Transfer of Premises. Subject to the provisions of Article V hereof, transfer of record title to the Premises shall automatically transfer to the new owner the beneficial interest in any deposits under this Section. Upon full payment and satisfaction of this Mortgage or, at Mortgagee's option, at any prior time, the balance of amounts deposited in Trustee's or Mortgagee's possession shall be paid over to the record owner of the Premises, and no other party shall have any right or claim thereto in any event.

(e) Depository. Grantor agrees, at Mortgagee's request and at Grantor's expense, to make the aforesaid deposits with Trustee or such service or financial institution as Mortgagee may from time to time designate.

SECTION 2.09. Inspection. Grantor will allow Trustee or Mortgagee or its authorized representatives to

enter upon and inspect the Premises at all reasonable times and will assist Trustee, Mortgagee or such representative in effecting said inspection.

SECTION 2.10. Records, Reports and Audits.

(a) Maintenance of Records. Grantor shall keep and maintain complete and accurate books and records in accordance with sound accounting principles with respect to all operations of or transactions involving the Premises.

(b) Reports; Audits. Grantor will prepare and render to Mortgagee such reports at such times as Mortgagee shall from time to time reasonably request and, if so requested by Mortgagee or otherwise required hereunder, certified by an independent certified public accountant approved by Mortgagee.

(c) Inspection of Records. Grantor will allow Mortgagee or its authorized representatives to examine and make copies of all such books and records and all supporting data therefor at Grantor's principal place of business in New York or at such other place as shall be approved by Mortgagee. Grantor will assist Mortgagee or such representative in effecting such examination.

SECTION 2.11. Certificates. Grantor, within 30 days after request therefor by Mortgagee, shall furnish to Mortgagee a written statement, duly acknowledged, certifying to Mortgagee and/or any designee as to (a) the amount of the Obligations then owing under this Mortgage, (b) the terms of payment and maturity date of the Obligations, (c) the date to which interest has been paid under this Mortgage and (d) whether any offsets or defenses exist against the Obligations and, if any are alleged to exist, a detailed description thereof.

ARTICLE III

Assignment of Rents and Other Sums

SECTION 3.01. Assignment. (a) Grantor hereby grants, bargains, sells, transfers, assigns and sets over to Mortgagee all rents, income, profits, proceeds and any and all cash collateral to be derived from the Premises, or the use and occupation thereof, or under any contract or bond relating to the construction or reconstruction of the Premises, including all rents, royalties, revenue, rights,

deposits (including security deposits) and benefits accruing to Grantor under all leases now or hereafter covering the Premises (including oil, gas and mining leases) and under all timber, logging or cutting contracts now or hereafter affecting the Premises, whether before or after foreclosure or during the full period of redemption, if any, and the right to receive the same and apply them against the Obligations or against Grantor's other obligations hereunder, together with all contracts, bonds, leases and other documents evidencing the same now or hereafter in effect and all rights of Grantor thereunder. Nothing contained in the preceding sentence shall be construed to bind Mortgagee to the performance of any of the provisions of any such contract, bond, lease or other document or otherwise impose any obligation upon Mortgagee (including any liability under a covenant of quiet enjoyment contained in any lease or under applicable law in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Mortgage and shall have been foreclosed of all right, title and interest and all equity of redemption in the Premises), except that Mortgagee shall be accountable for any money actually received pursuant to such assignment. The assignment of said rents, income, profits, proceeds and cash collateral, and of the aforesaid rights with respect thereto and to the contracts, bonds, leases and other documents evidencing the same is an absolute assignment.

(b) Notwithstanding the provisions of subsection 3.01(a) above, so long as there shall exist no Event of Default hereunder, and except as otherwise expressly provided herein, Grantor shall have the right and license to collect, as the same shall accrue, said rents, income, profits, proceeds and cash collateral. Grantor agrees to hold the same in trust and to use the same in payment of the Obligations, Impositions and insurance premiums payable hereunder and all other charges on or against the Premises.

(c) In the event of any such Event of Default, the right and license set forth in subsection (b) of this Section may be revoked by Mortgagee, and thereafter Trustee or Mortgagee shall have the right and authority to exercise any of the rights or remedies referred to or set forth in Article VI. In addition, upon such an Event of Default, Grantor shall promptly pay to Trustee or Mortgagee (i) all rent prepayments and security or other deposits paid to Grantor pursuant to any lease assigned hereunder and (ii) all charges for services or facilities or for escalation which were paid pursuant to any such lease to the extent allocable to any

period from and after such Event of Default. To the extent the Premises are located in the State of Michigan, Mortgagee shall be entitled to all of the rights and benefits conferred by Act No. 210 of the Michigan Public Acts of 1953, as amended by Act No. 151 of the Michigan Public Acts of 1966 (M.C.L.A. 554.231, et seq.), and Act No. 228 of the Michigan Public Acts of 1925, as amended by Act No. 55 of the Michigan Public Acts of 1933 (M.C.L.A. 554.211, et seq.).

(d) If Grantor is not required to surrender possession of the Premises hereunder in the event of any such Event of Default, Grantor will pay monthly in advance to Trustee or Mortgagee, on its entry into possession pursuant to Article VI, or to any receiver appointed to collect said rents, income, profits or proceeds, the fair and reasonable rental value for the use and occupation of the Premises or such part thereof as may be in the possession of Grantor. Upon a default in any such payment, Grantor will vacate and surrender such possession to Trustee, Mortgagee or such receiver, and, upon a default in vacating and surrendering the same, may be evicted by summary or any other available proceedings.

(e) Grantor will, as and when requested from time to time by Mortgagee, execute, acknowledge and deliver to Mortgagee, in form approved by Mortgagee, one or more general or specific assignments of the lessor's interest under any lease now or hereafter affecting the Premises. Grantor will, on demand, pay to Mortgagee, or reimburse Mortgagee for the payment of any reasonable costs or expenses incurred in connection with the preparation or recording of any such assignment.

SECTION 3.02. Leases. (a) Grantor will (i) perform or cause to be performed the lessor's obligations under any lease now or hereafter affecting the whole or any part of the Premises, (ii) enforce the performance by the lessee thereunder of all of said lessee's obligations thereunder and (iii) give Mortgagee prompt notice and a copy of any notice of any default, termination or cancellation sent or received by the lessor thereunder.

(b) Grantor will not, without Mortgagee's consent, (i) amend, modify or otherwise alter any such lease, (ii) cancel, terminate or accept a surrender thereof, (iii) assign, mortgage, pledge or otherwise transfer, dispose of or encumber, whether by operation of law or otherwise, any such lease or the rents or other income thereunder or therefrom or

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(iv) accept or permit the acceptance of a prepayment of any rents for more than one month in advance of the due dates therefor.

(c) Grantor will, promptly upon Mortgagee's request from time to time, prepare and deliver to Mortgagee such information as Mortgagee may reasonably request concerning the leases affecting the Premises.

#### ARTICLE IV

##### Additional Advances; Expenses; Indemnity

##### SECTION 4.01. Additional Advances and Disbursements.

(a) Grantor agrees that, if Grantor shall default in any of its obligations hereunder to pay any amount or to perform any action, including its obligation under Section 2.07 to pay Impositions and under Section 2.03 to procure, maintain and pay premiums on the insurance policies referred to therein, then Trustee or Mortgagee shall have the right, but not the obligation, in Grantor's name or in its own name, and without notice to Grantor, to advance all or any part of such amounts or to perform any or all such actions, and, for such purpose, Grantor expressly grants to Trustee and Mortgagee, in addition and without prejudice to any other rights and remedies hereunder, the right to enter upon and take possession of the Premises to such extent and as often as either of them may deem necessary or desirable to prevent or remedy any such default. No such advance or performance shall be deemed to have cured such default by Grantor or any Event of Default with respect thereto. All sums so advanced and all expenses incurred by Trustee or Mortgagee in connection with such advances or actions, and all other sums advanced or expenses incurred by Trustee or Mortgagee hereunder or under applicable law shall be demand obligations owing by Grantor to Trustee or Mortgagee and shall bear interest at the rate and as provided in the Credit Agreement. All such amounts advanced or incurred, and all such interest thereon, shall be part of the Obligations and shall be secured by this Mortgage. Trustee or Mortgagee, upon making any such advance, shall be subrogated to all of the rights of the person receiving such advance.

(b) To the extent the Premises are located in the State of Illinois, it is understood and agreed that with respect to subsequent purchasers and mortgagees without actual notice, none of the indebtedness for monies expended as hereinabove in this Section 4.01 recited shall result in



an increase of the indebtedness secured and to be secured hereby over the face amount of the Notes beyond Eighty Percent (80%) of such face amount. In determining the amount of such increase, there shall be excluded from any computation all indebtedness which would constitute secured indebtedness under the terms of this Mortgage had this Section 4.01 been omitted herefrom.

(c) To the extent the Premises are located in the State of Montana, the total amount of all future advances contemplated and to be subject to mortgage protection shall not exceed Eighty Percent (80%) of the face amount of the Notes. The lien for such amount of said future advances shall have priority to the same extent as if the amount thereof had been actually advanced by Mortgagee or the Holders of the Obligations at the time of the execution of this Mortgage.

(d) To the extent the Premises are located in the State of Florida, this Mortgage is given to secure not only existing indebtedness, but also such future or additional advances, whether such advances are obligatory or optional, as are made within twenty (20) years from the date hereof, to the same extent as if such future or additional advances were made on the date hereof. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but, to the extent the Premises are located in the State of Florida, the total unpaid balance so secured at one time shall not exceed Five Million and 00/100 Dollars (\$5,000,000) plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the Premises, with interest on such disbursements.

SECTION 4.02. Other Expenses. (a) Grantor will pay or, on demand, reimburse Trustee, Mortgagee or any holder of the Obligations for the payment of, all appraisal fees, recording and filing fees, taxes, brokerage fees and commissions, abstract fees, title insurance premiums and fees, Uniform Commercial Code search fees, escrow fees, trustee's fees, attorneys' fees and disbursements and all other costs and expenses of every character reasonably incurred by Grantor, Trustee, Mortgagee or any holder of the Obligations in connection with the closing of the transactions contemplated under the Credit Agreement, under the Mortgage Documents or hereunder, or otherwise attributable or chargeable to Grantor as owner of the Premises.

(b) Grantor will pay or, on demand, reimburse Trustee, Mortgagee or any holder of the Obligations for the payment of any costs or expenses (including attorneys' fees and disbursements) incurred or expended in connection with or incidental to (i) any default or Event of Default by Grantor under the Credit Agreement, under any Mortgage Document or hereunder, or (ii) the exercise or enforcement by or on behalf of Trustee, Mortgagee or any holder of the Obligations of any of its rights or remedies or Grantor's obligations under the Credit Agreement, under any Mortgage Document or this Mortgage, including the enforcement, compromise or settlement of this Mortgage or the Obligations or the defense, assertion of the rights and claims of Trustee, Mortgagee or any holder of the Obligations hereunder in respect thereof, by litigation or otherwise.

SECTION 4.03. Indemnity. (a) Grantor agrees to indemnify and hold harmless Trustee, Mortgagee and the holders of the Obligations from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses (including attorney's fees and disbursements) which may be imposed on, incurred or paid by or asserted against Trustee, Mortgagee or any holder of the Obligations by reason or on account of, or in connection with, (i) any default or Event of Default by Grantor under the Credit Agreement, under any Mortgage Document or hereunder, (ii) Trustee's, Mortgagee's or any such holder's exercise of any of its rights and remedies, or the performance of any of its duties under the Credit Agreement, under any Mortgage Document or hereunder, (iii) the construction, reconstruction or alteration of the Improvements, (iv) any negligence or willful misconduct of Grantor, any lessee of the Premises, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees, (v) any accident, injury, death or damage to any person or property occurring in, on or about the Premises or any street, drive, sidewalk, curb or passageway adjacent thereto or (vi) any other transaction arising out of or in any way connected with the Premises, the Credit Agreement, any Mortgage Document or this Mortgage, except for the willful misconduct or gross negligence of the indemnified person. Any amount payable to Trustee, Mortgagee or such holder under this Section shall be deemed a demand obligation.

(b) Grantor's obligations under this Section shall not be affected by the absence or unavailability of insurance covering the same or by the failure or refusal by any



insurance carrier to perform any obligation on its part under any such policy of covering insurance. If any claim, action or proceeding is made or brought against Trustee, Mortgagee or any holder of the Obligations which is subject to the indemnity set forth in this Section, Grantor shall, upon notice thereof by Mortgagee, resist or defend against the same, if necessary in the name of Trustee, Mortgagee or such holder, by attorneys for Grantor's insurance carrier (if the same is covered by insurance) or otherwise by attorneys approved by Mortgagee. Notwithstanding the foregoing, Trustee, Mortgagee and such holder, in their discretion, may engage their own attorneys to resist or defend, or assist therein, and Grantor shall pay, or, on demand, shall reimburse Trustee, Mortgagee or such holder for the payment of, the reasonable fees and disbursements of said attorneys.

#### ARTICLE V

##### Sale or Transfer of the Premises

SECTION 5.01. Continuous Ownership. Grantor acknowledges that the continuous ownership of the Premises by Grantor is of a material nature to the transaction and the Banks' agreement to create the Bank Obligations. Grantor agrees that, except as otherwise provided in Section 1.04 or 5.02(f) of the Credit Agreement or herein, Grantor will not, directly or indirectly sell, grant, convey, assign or otherwise transfer (collectively, "Transfer"), or permit to be the subject of a Transfer, the Premises or any legal or beneficial interest therein, by operation of law or otherwise, without Mortgagee's consent. For purposes of this Mortgage, but without limiting the foregoing, a Transfer of the legal or beneficial ownership, directly or indirectly, in any of the issued and outstanding stock of any class of stock of Grantor, shall be deemed a Transfer of the Premises or an interest therein.

SECTION 5.02. Release of Liens. In the event of a sale of a portion of the Premises in accordance with the terms and conditions of Sections 1.04 or 5.02(f) of the Credit Agreement, Trustee and/or Mortgagee, as applicable, shall, at the request of Grantor, deliver to Grantor, in recordable form, all such documents as may be necessary to release such portion of the Premises from the liens, security interests, conveyances and assignments evidenced hereby. Notwithstanding anything in the preceding sentence to the contrary, Trustee shall so release such portion of the Premises only upon the written direction of Mortgagee.

## ARTICLE VI

Defaults and Remedies

SECTION 6.01. Events of Default. The term "Event of Default", as used in this Mortgage, shall mean the occurrence of any of the following events:

- (a) a default in the payment, when due and payable, of any of the principal amounts of the Obligations, or a default in the payment, within 5 Business Days (as defined in the Credit Agreement) of the date on which the same shall become due and payable, of any other portion of the Obligations, whether of interest, premium, fees or otherwise, and whether on any stated due date, at maturity or upon acceleration; or
- (b) if any representation made, or deemed made, in the Credit Agreement, in any Mortgage Document or herein, or otherwise made by or on behalf of Grantor in connection with the transactions contemplated hereunder, be false or misleading so as to materially and adversely affect Mortgagee's security hereunder; or
- (c) if default shall be made in the performance or observance of any other provision contained in the Credit Agreement, in any Mortgage Document or herein, beyond the applicable grace period therefor or, if no such grace period is applicable, if the default has not been remedied (i) within 10 Business Days after written notice thereof shall have been given to Grantor or (ii) if such default cannot be cured within such 10 Business Day period with the exercise of all due diligence, if Grantor commences to cure the same with all due diligence prior to the expiration of such 10 Business Day period, and thereafter proceeds to cure the same within such period of time as may be necessary to cure the same with all due diligence, and such default shall materially and adversely affect Mortgagee's security hereunder; or
- (d) the Premises or any interest therein shall be the subject of a Transfer, except as set forth in Section 5.02 hereof; or
- (e) if any other event occurs which, under the terms hereof, would permit Mortgagee to accelerate the Obligations; or
- (f) if Grantor shall become insolvent, or shall make a transfer in fraud of creditors, or shall make an assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts as they become due; or

(g) if Grantor shall file a petition or an answer under any title, section or chapter of the Federal Bankruptcy Code, as amended, or under any present or future law or statute of the United States of America or of any State or other jurisdiction thereof relevant to bankruptcy, insolvency or other relief of debtors (collectively "Bankruptcy Laws"), (i) requesting that Grantor be declared a bankrupt or insolvent or (ii) requesting reorganization, arrangement, protection, relief, composition, readjustment, moratorium, liquidation, dissolution, termination or similar relief for itself or its debts; or

(h) if Grantor shall file an answer admitting the material allegations of, or consent or default in answering, a petition filed against it in any proceeding under a Bankruptcy Law; or

(i) if a petition or answer proposing (i) the adjudication of Grantor as a bankrupt or insolvent or (ii) Grantor's reorganization or arrangement under any Bankruptcy Law shall be filed in any court and not be discharged or denied within 60 days; or

(j) if Grantor shall apply for, consent to or acquiesce in the appointment of a receiver, trustee, liquidator or custodian for Grantor or all or a substantial part of its assets (including the Premises), or if such a receiver, trustee or liquidator is appointed and is not discharged within 60 days after such appointment; or

(k) if an order, judgment or decree shall be entered in a court of competent jurisdiction (i) adjudicating Grantor a bankrupt or insolvent or (ii) approving a petition or answer requesting reorganization or arrangement of Grantor, and such order, judgment or decree shall continue unstayed and in effect for any period of 60 days; or

(l) if a final judgment or order for the payment of money in excess of \$5,000,000 (or its equivalent in another currency) shall be rendered against Grantor, and either (A) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (B) there shall be any period of 10 consecutive days during which a stay of enforcement of such judgment or order by reason of a pending appeal or otherwise, shall not be in effect; or

(m) if any of the events referred to in subsections (f) through (l) of this Section shall occur with respect to

any of the Obligors (as defined in the Credit Agreement), other than Grantor; or

(n) if Grantor abandons the Premises or ceases to do business or terminates its business for any reason whatsoever and such abandonment, cessation or termination shall materially and adversely affect Mortgagee's security hereunder; or

(o) if the Premises shall be taken, attached or sequestered on execution or other process of law in any action against Grantor and such taking, attachment or sequestration shall materially and adversely affect Mortgagee's security hereunder; or

(p) if any claim of priority (except a claim based upon a Permitted Encumbrance) to this Mortgage or any Mortgage Document by title, lien or otherwise shall be upheld by any court of competent jurisdiction or shall be consented to by Grantor; or

(q) if the Guaranty (as defined in the Credit Agreement) shall fail to be in full force and effect or the Guarantor shall claim that it is no longer in full force and effect or that the Guarantor's obligations thereunder have been terminated or substantially terminated.

For the purposes of this Section 6.01, an Event of Default shall be deemed to materially and adversely affect Mortgagee's security hereunder if such Event of Default, either alone or when taken in the aggregate with other Events of Default then existing under this Mortgage or any of the Mortgages (as defined in the Credit Agreement), is deemed by the Majority Banks (as defined in the Credit Agreement) to be material and adverse to the liens and security interests, taken as a whole, granted by the Mortgages, the Security and Pledge Agreement and any other document from time to time granting to Mortgagee and/or Trustee, as applicable, a lien or security interest in the property of Grantor.

SECTION 6.02. Remedies. Upon the occurrence of any one or more Events of Default, Trustee or Mortgagee may (but shall not be obligated to), in addition to any rights or remedies available to it under the Credit Agreement, under any Mortgage Document or hereunder, take such action personally or by its agents or attorneys, with or without entry, and without notice, demand, presentment or protest (each and all of which are hereby waived), as it deems necessary or advisable to protect and enforce its rights and remedies against Grantor and in and to the Premises.

including the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Trustee or Mortgagee may determine, in its sole discretion, without impairing or otherwise affecting its or their other rights or remedies (provided that only Mortgagee may take the action described in subsection (a) of this Section):

(a) Declare the obligation of each Bank to make Advances to be terminated, whereupon the same shall forthwith terminate and, subject to any right of reinstatement pursuant to applicable law, declare the entire balance of the Obligations (including the entire principal balance thereof, all accrued and unpaid interest and any premium thereon and all other such sums secured hereby) to be immediately due and payable, and upon any such declaration the entire unpaid balance of the Obligations shall become and be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Grantor, anything in the Credit Agreement, in any Mortgage Document or herein to the contrary notwithstanding; or

(b) Institute a proceeding or proceedings, judicial or otherwise, for the complete foreclosure of this Mortgage under any applicable provision of law and, to the extent the Premises are located in the State of Maine, Massachusetts or New Hampshire, Mortgagee shall have the Statutory Power of Sale in addition to all other rights and remedies hereunder; or

(c) Institute a proceeding or proceedings for the partial foreclosure of this Mortgage under any applicable provision of law for the portion of the Obligations then due and payable, subject to the lien of this Mortgage continuing unimpaired and without loss of priority so as to secure the balance of the Obligations not then due and payable; or

(d)(i) To the extent permitted by applicable law, sell the Premises, and all estate, right, title, interest, claim and demand of Grantor therein, and all rights of redemption thereof, at one or more sales, as an entirety or in parcels, with such elements of real and/or personal property (and, to the extent permitted by applicable law, may elect to deem all of the Premises to be real property for purposes thereof), and at such time and place and upon such terms as it may deem expedient, or as may be required by applicable law, and in the event of a sale, by foreclosure or otherwise, of less than all of the Premises, this Mortgage

shall continue as a lien and security interest on the remaining portion of the Premises;

(ii) To the extent the Premises are located in the State of Texas, Trustee is authorized and empowered and it shall be its special duty, at the request of Mortgagee, to sell the Premises at the courthouse door of any county in the State of Texas in which any part of the Premises is situated, at public venue to the highest bidder for cash between the hours of 10:00 a.m. and 4:00 p.m. on the first Tuesday in any month, after having given notice of such sale in accordance with the statutes of the State of Texas then in force governing sales of real estate under powers conferred by deed of trust; or

(iii) To the extent the Premises are located in the State of Alabama, whether or not possession of the Premises is taken, after giving 21 days' notice by publication once a week for three consecutive weeks of the time, place and terms of each such sale by publication in some newspaper published in the county wherein the Premises are located, sell the Premises (or such part or parts thereof as Mortgagee may from time to time elect to sell), in front of such county's courthouse door, at public outcry, to the highest bidder for cash. Mortgagee may bid at any sale or sales had under the terms of this Mortgage and may purchase the Premises, if the highest bidder therefor. At any foreclosure sale any part or all of the Premises, real, personal or mixed, may be offered for sale in parcels or en masse for one total price, the proceeds of any such sale en masse to be accounted for in one account without distinction between the items included therein or without assigning to them any proportion of such proceeds, Grantor hereby waiving the application of any doctrine of marshalling or like proceeding. In case Mortgagee, in the exercise of the power of sale herein given, elects to sell the Premises in parts or parcels, sales thereof may be held from time to time, and the power of sale granted herein shall not be fully exercised until all of the Premises not previously sold shall have been sold or all the Obligations secured hereby shall have been paid in full, and this Mortgage shall continue as a lien and security interest on any part of the Premises not so sold; or

(iv) To the extent the Premises are located in the State of Georgia, sell the Premises at one or more public sales before the door of the courthouse of the county in which the Premises are situated, to the highest bidder for cash, in order to pay the Obligations, and all



expenses of sale and of all proceedings in connection therewith, including reasonable attorney's fees, after advertising the time, place and terms of sale once a week for four (4) weeks immediately preceding such sale (but without regard to the number of days) in the newspaper in which Sheriff's sales are advertised in said county. At any such public sale, Mortgagee may execute and deliver to the purchaser a conveyance of the Premises in fee simple, with full warranties of title and to this end, Grantor hereby constitutes and appoints Mortgagee the agent and attorney-in-fact of Grantor to make such sale and conveyance, and thereby to divest Grantor of all right, title and equity that Grantor may have in and to the Premises and to vest the same in the purchaser or purchasers at such sale or sales, and all the acts and doings of said agent and attorney-in-fact are hereby ratified and confirmed, and any recitals in said conveyance or conveyances as to facts essential to a valid sale shall be binding upon Grantor. The aforesaid power of sale and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, are granted as cumulative of the other remedies provided hereby or by law for collection of the Obligations and shall not be exhausted by one exercise thereof but may be exercised until full payment of all of the Obligations. In the event of any sale under this Mortgage by virtue of the exercise of the powers herein granted, or pursuant to any order in any judicial proceeding or otherwise, the Premises may be sold as an entirety or in separate parcels and in such manner or order as Mortgagee in its sole discretion may elect, and if Mortgagee so elects, Mortgagee may sell the personal property covered by this Mortgage at one or more separate sales in any manner permitted by the Uniform Commercial Code as enacted in the State of Georgia, and one or more exercises of the powers herein granted shall not extinguish nor exhaust such powers, until the entire Premises are sold or the Obligations are paid in full. Mortgagee, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Premises, and the failure to make any such tenants parties to any such foreclosure proceeding and to foreclose their rights will not be, nor be asserted to be by Grantor, a defense to any proceeding instituted by Mortgagee to collect the Obligations.

(e) Institute an action, suit or proceeding in equity for the specific performance of any of the provisions contained in the Credit Agreement, in any Mortgage Document or herein; or

(f) Sue and recover a judgment on the Obligations, as the same become due and payable, or on account of any default or defaults by Grantor under the Credit Agreement, under any Mortgage Document or hereunder; or

(g) Apply for the appointment of a receiver, custodian, trustee, liquidator or conservator of the Premises, to be invested with the fullest powers permitted under applicable law, as a matter of right and without regard to or the necessity to disprove the adequacy of the security for the Obligations or the solvency of Grantor or any other person liable for the payment of the Obligations, and Grantor and each other person so liable waives or shall be deemed to have waived such necessity and consents or shall be deemed to have consented to such appointment; or

(h) Enter upon the Premises, and exclude Grantor and its agents and servants wholly therefrom, without liability for trespass, damages or otherwise, and take possession of all books, records and accounts relating thereto, and Grantor agrees to surrender possession of the Premises and of such books, records and accounts to Trustee or Mortgagee on demand after the happening of any Event of Default; and having and holding the same may use, operate, manage, preserve, control and otherwise deal therewith and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers, without interference from Grantor; and upon each such entry and from time to time thereafter may, at the expense of Grantor and the Premises, without interference by Grantor and as it may deem advisable, (i) either by purchase, repair or construction, may maintain and restore the Premises, (ii) may insure or reinsure the same, (iii) may make all necessary or proper repairs, renewals, replacements, reforestation as may be customary in the industry, alterations, additions, betterments and improvements thereto and thereon, (iv) may complete the construction of the Improvements and, in the course of such completion, may make such changes in the contemplated or completed Improvements as it may deem advisable, (v) may in every such case in connection with the foregoing have the right to exercise all rights and powers of Grantor with respect to the Premises, either in Grantor's name or otherwise, including the right to make, cancel, enforce or modify leases and subleases, obtain and evict tenants and subtenants on such terms as it shall deem advisable; or

(i) With or without the entrance upon or taking possession of the Premises, collect and receive all earnings, revenues, rents, issues, profits, income and cash collateral derived from the Premises, and after deducting therefrom all costs and expenses of every character incurred by Trustee or Mortgagee in collecting the same and in using, operating, managing, preserving and controlling the Premises, and otherwise in exercising Trustee's or Mortgagee's rights under subsection (h) of this Section, including all amounts necessary to pay Impositions, insurance premiums and other charges in connection with the Premises, as well as reasonable compensation for the services of Trustee, Mortgagee and their respective attorneys, agents and employees, apply the remainder as provided in Section 6.05; or

(j) Release any portion of the Premises for such consideration as Trustee or Mortgagee may require without, as to the remainder of the Premises, in any way impairing or affecting the lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Obligations shall have been reduced by the actual monetary consideration, if any, received by Trustee or Mortgagee for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Trustee or Mortgagee may require without being accountable for so doing to any other lienor; or

(k) Take all actions permitted under the Uniform Commercial Code of the State in which the Premises are located; or

(l) Take any other action, or pursue any other right or remedy, as Trustee or Mortgagee may have under applicable law, and Grantor does hereby grant the same to Trustee and Mortgagee.

In the event that Trustee or Mortgagee shall exercise any of the rights or remedies set forth in subsections (h) and (i) of this Section, neither such party shall be deemed to have entered upon or taken possession of the Premises except upon the exercise of its option to do so, evidenced by its demand and overt act for such purpose, nor shall either be deemed a mortgagee in possession by reason of such entry or taking possession. Neither Trustee nor Mortgagee will be liable to account for any action taken pursuant to any such exercise other than for rents actually received by such party, nor liable for any loss sustained by Grantor resulting from any failure to let the Premises, or

from any other act or omission of Trustee or Mortgagee except to the extent such loss is caused by the willful misconduct or bad faith of such party. Grantor hereby consents to, ratifies and confirms the exercise by either Trustee or Mortgagee of said rights and remedies, and appoints each of Trustee and Mortgagee as its attorney-in-fact, which appointment shall be deemed to be coupled with an interest and is irrevocable, for such purposes.

SECTION 6.03. Expenses. In any proceeding, judicial or otherwise, to foreclose this Mortgage or enforce any other remedy of Trustee or Mortgagee under the Credit Agreement, under any Mortgage Document or hereunder, there shall be allowed and included as an addition to and a part of the Obligations in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred in connection with the exercise by Trustee or Mortgagee of any of its rights and remedies provided or referred to in Section 6.02, and the same shall be secured by this Mortgage.

SECTION 6.04. Rights Pertaining to Sales. The following provisions shall apply to any sale or sales of all or any portion of the Premises under or by virtue of this Article VI, whether made under the power of sale herein granted or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale:

(a) Trustee or Mortgagee, as applicable, may conduct any number of sales from time to time. The power of sale set forth in Section 6.02(d) hereof shall not be exhausted by any one or more such sales as to any part of the Premises which shall not have been sold, nor by any sale which is not completed or is defective in Trustee's or Mortgagee's opinion, until the Obligations shall have been paid in full.

(b) Any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice.

(c) After each sale, Trustee or Mortgagee, as applicable, or an officer of any court empowered to do so, shall execute and deliver to the purchaser or purchasers at such sale a good and sufficient instrument or instruments granting, conveying, assigning and transferring all right, title and interest of Grantor in and to the property and

rights sold and shall receive the proceeds of said sale or sales and apply the same as herein provided. Trustee and Mortgagee, as applicable, are hereby appointed the true and lawful attorney-in-fact of Grantor, which appointment is irrevocable and shall be deemed to be coupled with an interest, in Grantor's name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the property and rights so sold, and for that purpose Trustee or Mortgagee, as applicable, may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with like power, Grantor hereby ratifying and confirming all that said attorney or such substitute or substitutes shall lawfully do by virtue thereof. Nevertheless, Grantor, if requested by Trustee or Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to Trustee or Mortgagee, as applicable, or such purchaser or purchasers all such instruments as may be advisable, in Trustee's or Mortgagee's judgment, for the purposes designated in such request.

(d) Any and all statements of fact or other recitals made in any of the instruments referred to in subsection (c) of this Section given by Trustee or Mortgagee, as applicable, as to nonpayment of the Obligations, or as to the occurrence of any Event of Default, or as to Mortgagee having declared all or any of the Obligations to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and of the property or rights to be sold having been duly given, or as to the refusal, failure or inability to act of Trustee, or as to the appointment of any substitute or successor Trustee, or as to any other act or thing having been duly done by Mortgagee or by such Trustee, shall be taken as prima facie evidence of the truth of the facts so stated and recited. Trustee or Mortgagee, as applicable, may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale so held, including the posting of notices and the conduct of sale, but in the name and on behalf of Trustee or Mortgagee, as applicable.

(e) The receipt of Trustee or Mortgagee, as applicable, for the purchase money paid at any such sale, or the receipt of any other person authorized to give same, shall be sufficient discharge therefor to any purchaser of any property or rights sold as aforesaid, and no such purchaser, or its representatives, grantees or assigns, after paying such purchase price and receiving such receipt, shall be bound to see to the application of such purchase price or

any part thereof upon or for any trust or purpose of this Mortgage or, in any manner whatsoever, be answerable for any loss, misapplication or nonapplication of any such purchase money, or part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

(f) Any such sale or sales shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Grantor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Grantor and any and all persons claiming or who may claim the same, or any part thereof, by, through or under Grantor to the fullest extent permitted by applicable law.

(g) Upon any such sale or sales, Mortgagee or any holder of the Obligations may bid for and acquire the Premises and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting against the Obligations the amount of the bid made therefor, after deducting therefrom the expenses of the sale, the cost of any enforcement proceeding hereunder and any other sums which Trustee or Mortgagee is authorized to deduct under the terms hereof, to the extent necessary to satisfy such bid.

(h) In the event that Grantor, or any person claiming by, through or under Grantor, shall transfer or refuse or fail to surrender possession of the Premises after any sale thereof, then Grantor or such person shall be deemed a tenant at sufferance of the purchaser at such sale, subject to eviction by means of forcible entry and detainer proceedings, or subject to any other right or remedy available hereunder or under applicable law.

(i) Upon any such sale, it shall not be necessary for Trustee, Mortgagee or any public officer acting under execution or order of court to have present or constructively in its possession any or all of the Premises.

(j) In the event of any sale referred to in this Section, all of the Obligations, if not previously due and payable, immediately thereupon shall, notwithstanding anything to the contrary in the Credit Agreement, in any Mortgage Document or herein, become due and payable.

(k) This instrument shall be effective as a mortgage and open end mortgage as well as a deed of trust,



trust deed or deed to secure debt; in the event a foreclosure hereunder shall be commenced by Trustee or Mortgagee, as applicable, Trustee or Mortgagee, as applicable, may, at any time before the sale of the Premises, abandon the sale, and may institute suit for the collection of the Obligations and for the foreclosure of this Mortgage, or in the event that Trustee or Mortgagee, as applicable, should institute a suit for collection of the Obligations, and for the foreclosure of this Mortgage, Mortgagee may at any time before the entry of final judgment in said suit dismiss the same and sell, or require Trustee to sell, the Premises in accordance with the provisions of this Mortgage.

(1) To the extent the Premises are located in the State of Michigan, Grantor hereby waives all rights to a hearing prior to sale in connection with any foreclosure of this Mortgage by advertisement and all notice requirements except as set forth in the Michigan statute providing for foreclosure by advertisement.

(m) To the extent the Premises are located in the State of Mississippi, Grantor waives the provisions of Section 89-1-55 of the Code of Mississippi of 1972, and laws amendatory thereof, if any, as far as said section restricts the right of Trustee to offer at sale more than 160 acres at a time, and Trustee may offer the Premises as a whole, regardless of the manner in which it may be described. Grantor also waives the provisions of Section 89-1-59 of the Mississippi Code of 1972.

SECTION 6.05. Application of Proceeds. The purchase money, proceeds or avails of any sale referred to in Section 6.04, together with any other sums which may be held by Trustee or Mortgagee hereunder, whether under the provisions of this Article VI or otherwise, shall, except as herein expressly provided to the contrary, be applied as follows.

First: To the payment of the costs and expenses of any such sale, including reasonable compensation to Trustee, Mortgagee, their agents and counsel, and of any judicial proceeding wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Trustee or Mortgagee hereunder, together with interest thereon as provided herein, and all taxes, assessments and other charges, except any taxes, assessments or other charges subject to which the Premises shall have been sold.

Second: Ratably, to the payment in full of the Obligations (including principal, interest, premium and fees in such order as Mortgagee may elect).

Third: To the extent permitted by applicable law, to be set aside by Trustee or Mortgagee as adequate security in its judgment for the payment of sums which would have been paid by application under clauses First and Second above to Trustee or Mortgagee, arising out of an obligation or liability with respect to which Grantor has agreed to indemnify it, but which sums are not yet due and payable or liquidated.

Fourth: To the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive the same.

SECTION 6.06. Additional Provisions as to Remedies.

(a) No right or remedy herein conferred upon or reserved to Trustee or Mortgagee is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and continuing, shall be in addition to every other right or remedy given under the Credit Agreement, under any Mortgage Document or hereunder or now or hereafter existing at law or in equity, and may be exercised from time to time and as often as may be deemed expedient by Trustee or Mortgagee.

(b) No delay or omission by Trustee or Mortgagee to exercise any right or remedy hereunder upon an Event of Default shall impair such exercise, or be construed to be a waiver of any such Event of Default or an acquiescence therein.

(c) The failure, refusal or waiver by Trustee or Mortgagee of its right to assert any right or remedy hereunder upon any Event of Default or other occurrence shall not be construed as waiving such right or remedy upon any other or subsequent Event of Default or other occurrence.

(d) Neither Trustee nor Mortgagee shall have any obligation to pursue any rights or remedies it may have under any other agreement prior to pursuing its rights or remedies under the Credit Agreement, under any Mortgage Document or hereunder.

(e) No recovery of any judgment by Trustee or Mortgagee and no levy of an execution upon the Premises or

any other property of Grantor shall affect, in any manner or to any extent, the lien and security interest of this Mortgage upon the Premises, or any liens, rights, powers or remedies of Trustee or Mortgagee hereunder, and such liens, rights, powers and remedies shall continue unimpaired as before.

(f) Trustee and Mortgagee may resort to any security given by this Mortgage or any other security now given or hereafter existing to secure the Obligations, in whole or in part, in such portions and in such order as Trustee or Mortgagee may deem advisable, and no such action shall be construed as a waiver of any of the liens, rights or benefits granted hereunder.

(g) Acceptance of any payment after the occurrence of an Event of Default shall not be deemed a waiver or a cure of such Event of Default, and acceptance of any payment less than any amount then due shall be deemed an acceptance on account only.

(h) Nothing in the Credit Agreement, in any Mortgage Document or herein shall affect the obligations of Grantor to pay the Obligations in the manner and at the time and place herein or therein respectively expressed.

(i) In the event that Trustee or Mortgagee shall have proceeded to enforce any right or remedy hereunder by foreclosure, sale, entry or otherwise, and such proceeding shall be discontinued, abandoned or determined adversely for any reason, then Grantor, Trustee and Mortgagee shall be restored to their former positions and rights hereunder with respect to the Premises, subject to the lien hereof.

SECTION 6.07. Waiver of Rights and Defenses. To the full extent Grantor may do so, Grantor agrees with Mortgagee as follows:

(a) Grantor will not at any time insist on, plead, claim or take the benefit or advantage of any statute or rule of law now or hereafter in force providing for any appraisement, valuation, stay, extension, moratorium or redemption, or of any statute of limitations, and Grantor, for itself and its heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming an interest in the Premises, hereby waives and releases all rights of redemption, valuation, appraisement, notice of intention to mature or declare due the whole of the Obli-

gations, and all rights to a marshaling of the assets of Grantor, including the Premises, or to a sale in inverse order of alienation, in the event of foreclosure of the liens and security interests created hereunder. To the extent the Premises are located in the State of Illinois, the foregoing waiver is made pursuant to Section 12-124 of the Illinois Code of Civil Procedure.

(b) Grantor shall not have or assert any right under any statute or rule of law pertaining to any of the matters set forth in subsection (a) of this Section, to the administration of estates of decedents or to any other matters whatsoever to defeat, reduce or affect any of the rights or remedies of Trustee or Mortgagee hereunder, including the rights of Trustee or Mortgagee hereunder to a sale of the Premises for the collection of the Obligations without any prior or different resort for collection, or to the payment of the Obligations out of the proceeds of sale of the Premises in preference to any other person (other than the holder of a Permitted Encumbrance).

(c) If any statute or rule of law referred to in this Section and now in force, of which Grantor or any of its heirs, devisees, representatives, successors or assigns and such other persons claiming any interest in the Premises might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such statute or rule of law shall not thereafter be deemed to preclude the application of this Section.

(d) Grantor shall not be relieved of its obligation to pay the Obligations at the time and in the manner provided in the Credit Agreement, in any Mortgage Document or herein, nor shall the lien, security interest or priority of this Mortgage or any Mortgage Document be impaired by any of the following actions, non-actions or indulgences by Trustee or Mortgagee, each of which actions, non-actions or indulgences Trustee or Mortgagee may, in its discretion, take or refrain from taking:

(i) any failure or refusal by Trustee or Mortgagee to comply with any request by Grantor (X) to consent to any action by Grantor or (Y) to take any action to foreclose this Mortgage or otherwise enforce any of the provisions of the Credit Agreement, of any Mortgage Document or hereof;

(ii) any release, regardless of consideration, of the whole or any part of the Premises or any other security for the Obligations, or any person liable for payment of the Obligations;

(iii) any waiver by Mortgagee of compliance by Grantor with any provision of the Credit Agreement, any Mortgage Document or this Mortgage, or consent by Mortgagee to the performance by Grantor of any action which would otherwise be prohibited hereunder or thereunder, or to the failure by Grantor to take any action which would otherwise be required hereunder or thereunder; and

(iv) any agreement or stipulation between Trustee or Mortgagee and Grantor, or, with or without Grantor's consent, between Trustee or Mortgagee and any subsequent owner or owners of the Premises or any other security for the Obligations, renewing, extending or modifying the time of payment or the terms of the Credit Agreement, any Mortgage Document or this Mortgage (including a modification of any interest rate), and in any such event Grantor shall continue to be obligated to pay the Obligations at the time and in the manner provided in the Credit Agreement, in the Mortgage Documents and herein, as so renewed, extended or modified, unless expressly released and discharged by Mortgagee.

SECTION 6.08. Exercise by Trustee. Notwithstanding anything herein to the contrary, Trustee (a) shall not exercise, or waive the exercise of, any of its rights or remedies under this Article (other than its right to reimbursement) except upon the request of Mortgagee, and (b) shall exercise, or waive the exercise of, any or all of such rights or remedies upon the request of Mortgagee and at the direction of Mortgagee as to the manner of such exercise or waiver, provided that Trustee shall have the right to decline to follow any of such request or direction if Trustee shall be advised by counsel that the action or proceeding, or manner thereof, so directed may not lawfully be taken or waived.

## ARTICLE VII

### Defeasance

SECTION 7.01. Defeasance. If the Bank Obligations shall be paid as the same become due and payable, then and in that event only all rights hereunder shall terminate and the

Premises shall become wholly released and cleared of the liens, security interests, conveyances and assignments evidenced hereby, upon receipt by Trustee or Mortgagee, as applicable, of evidence satisfactory to it that the foregoing conditions have been satisfied, at Grantor's sole cost and expense. In such event, Trustee and/or Mortgagee, as applicable, shall, at the request of Grantor, promptly deliver to Grantor, in recordable form, all such documents as shall be necessary to release the Premises from the liens, security interests, conveyances and assignments evidenced hereby. Notwithstanding anything in the preceding sentence to the contrary, Trustee shall so release the Premises only upon the direction of Mortgagee.

#### ARTICLE VIII

##### Additional Provisions

###### SECTION 8.01. Provisions as to Payments, Advances.

(a) All payments of the Bank Obligations shall be made in such lawful money of the United States of America as shall be legal tender for payment of all debts, public and private, at the time of payment, shall be made in the manner expressly designated therefor or, if no such designation is made, at the address of Mortgagee indicated in Section 8.04, or at such other place as Mortgagee may designate from time to time.

(b) If any of the Obligations cannot lawfully be secured by this Mortgage, or if any part of the Premises cannot lawfully be subject to the lien and security interest hereof, to the full extent of said Obligations, then all payments made thereon shall be applied first in discharge of that portion thereof which is unsecured by this Mortgage.

(c) To the extent that any of the Obligations are used to pay indebtedness secured by any Permitted Encumbrance or other outstanding lien, security interest or charge against the Premises or to pay in whole or in part the purchase price therefor, Trustee and Mortgagee shall be subrogated to any and all rights, security interests and liens held by any owner or holder of the same, whether or not the same are released. Grantor agrees that, in consideration of such payment by Trustee or Mortgagee, Grantor hereby waives and releases all demands, defenses and causes of action for offsets and payments with respect to the same.

(d) Any payment made under this Mortgage by any person at any time liable for the payment of the Obligations,



or by any subsequent owner of the Premises, or by any other person whose interest in the Premises might be prejudiced in the event of a failure to make such payment, or by any partner, stockholder, officer or director thereof, shall be deemed, as between Trustee or Mortgagee and all such persons, to have been made on behalf of all such persons.

(e) With respect to that portion of the Premises located in New York, all Advances secured hereby and the right to such Advances shall, in compliance with Section 13 of the New York Lien Law, be received and held by Grantor as a trust fund to be applied first for the purpose of paying the cost of any Improvement and Grantor shall apply the same first to the payment of the cost of such Improvement before using any part of the total of the same for any other purpose.

SECTION 8.02. Usury Savings Clause. All agreements in the Credit Agreement, in any Mortgage Document or herein are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement or acceleration of maturity of the Obligations, or otherwise, shall the amount paid or agreed to be paid hereunder for the use, forbearance or detention of money exceed the highest lawful rate permitted under applicable usury laws. If, from any circumstance whatsoever, fulfillment of any provision of the Credit Agreement, of any Mortgage Document or hereof, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity and if, from any circumstance whatsoever, Trustee or Mortgagee shall ever receive as interest an amount which would exceed the highest lawful rate, the receipt of such excess shall be deemed a mistake and shall be cancelled automatically or, if theretofore paid, such excess shall be credited against the principal amount of the Obligations to which the same may lawfully be credited, and any portion of such excess not capable of being so credited shall be rebated to Grantor.

SECTION 8.03. Separability. If, in any jurisdiction, all or any portion of any provision of the Credit Agreement, any Mortgage Document or this Mortgage shall be held to be invalid, illegal or unenforceable in any respect, then, at Mortgagee's option, such invalidity, illegality or unenforceability shall not affect any other provision thereof or hereof, and such provision shall be limited and construed in such jurisdiction as if such

invalid, illegal or unenforceable provision or portion thereof were not contained therein or herein.

SECTION 8.04. Notices. Any notice, demand, consent, approval, direction, request, agreement or other communication (any "Notice") required or permitted hereunder shall be in writing and shall be validly given if mailed by United States Mail, registered or certified mail, return receipt requested, postage prepaid, or if delivered in person or by telex, telegram or cable, addressed as follows to the person entitled to receive the same:

If to Grantor:

Diamond International Corporation  
733 Third Avenue  
New York, New York 10017  
Attention: Secretary

with a copy to:

Skadden, Arps, Slate, Meagher & Flom  
919 Third Avenue  
New York, New York 10022  
Attention: Theodore J. Kozloff

If to Mortgagee:

Manufacturers Hanover Trust Company  
40 Wall Street  
New York, New York 10015  
Attention: Escrow Administration

and to:

Leslie Howard Savran  
40 Wall Street  
New York, New York 10015  
Attention: Escrow Administration

If to Trustee:

Pioneer National Title Insurance Company  
120 Broadway  
New York, New York 10271  
Attention: First Vice President

Any Notice shall be deemed to have been validly given hereunder when so mailed, telexed, telegrammed or cabled.

Any person shall have the right to specify, from time to time, as its address or addresses for purposes of this Mortgage, any other address or addresses in the United States of America upon giving 30 days notice thereof to each other person then entitled to receive notices or other instruments hereunder. If any notice or other instrument shall be given otherwise than as specified in this Section, the same shall not be deemed to have been validly given hereunder until the same is, in fact, received by the person to whom it was sent.

SECTION 8.05. Right to Deal. In the event that ownership of the Premises becomes vested in a person other than Grantor, Trustee and Mortgagee may, without notice to Grantor, deal with such successor or successors in interest with reference to this Mortgage or the Obligations in the same manner as with Grantor, without in any way vitiating or discharging Grantor's liability hereunder or for the payment of the Obligations or being deemed a consent to such vesting.

SECTION 8.06. No Merger. (a) If both the lessor's and the lessee's interest under any lease which constitutes a part of the Premises shall at any time become vested in any one person, this Mortgage and the lien and security interest created hereby shall not be destroyed or terminated by the application of the doctrine of merger and, in such event, Trustee and Mortgagee shall continue to have and enjoy all of the rights and privileges of Trustee and Mortgagee hereunder as to each separate estate.

(b) Upon the foreclosure of the lien created hereby on the Premises, as herein provided, any leases then existing shall not be destroyed or terminated by application of the doctrine of merger or as a matter of law or as a result of such foreclosure unless Trustee or Mortgagee or any purchaser at a foreclosure sale shall so elect by notice to the lessee in question.

SECTION 8.07. Applicable Law. This Mortgage shall be governed by, and construed in accordance with, the law of the State in which the Premises are located.

SECTION 8.08. Equal and Ratable Security for the Existing Obligations. The Existing Obligations each provide that Grantor will not create any mortgage, pledge, security interest or lien upon certain of the Premises without providing that the Existing Obligations shall be equally and ratably secured by such mortgage, pledge, security interest or lien. In clarification of (i) the fulfillment of

Grantor's obligation to provide equal and ratable security for the holders of the Existing Obligations and (ii) the rights of the holders of the Obligations, Grantor hereby declares and Trustee and Mortgagee agree that:

(a) For so long as the Bank Obligations remain outstanding, the Bank Obligations and the Existing Obligations shall be equally and ratably secured by this Mortgage.

(b) Mortgagee may deal with the Premises and may issue, or instruct Trustee to issue, as applicable, any release to be given hereunder pursuant to Section 2.04, 5.02 or 7.01 or take any other action, or instruct Trustee to take any other action, as applicable, required or permitted hereunder, without reference to or the approval of the holders of the Obligations and any third party (including any title insurance company issuing a title insurance policy, or a commitment to issue a title insurance policy, in connection with the Premises) may conclusively rely on the due authority of Mortgagee (or Trustee, if so instructed by Mortgagee) to do any or all of the foregoing.

(c) Upon satisfaction of the Bank Obligations, whether by way of discharge, release, exchange, extinguishment, cancellation or otherwise, Grantor's obligation to continue the security provided by this Mortgage for the benefit of the holders of the Existing Obligations shall thereupon cease without any requirement of notice to or approval of the holders of the Existing Obligations and whether or not the Existing Obligations are then in default.

SECTION 8.09. Appointment of Trustee and Mortgagee. Grantor hereby appoints each of Trustee and Mortgagee its attorney-in-fact, which appointment is irrevocable and shall be deemed to be coupled with an interest, to execute, acknowledge, deliver and file or record for and in the name of Grantor any of the documents or instruments referred to in Section 2.01(d) and (e).

SECTION 8.10. Sole Discretion of Trustee and Mortgagee. Whenever Trustee's or Mortgagee's judgment, consent or approval is required hereunder for any matter, or either shall have an option or election hereunder, such judgment, the decision as to whether or not to consent to or approve the same or the exercise of such option or election

shall be in the sole discretion of Trustee or Mortgagee, as the case may be, unless otherwise indicated herein to be reasonably given or exercised.

SECTION 8.11. Provisions as to Covenants and Agreements. All of Grantor's covenants and agreements hereunder shall run with the land and time is of the essence with respect thereto.

SECTION 8.12. Matters to be in Writing. This Mortgage cannot be altered, amended, modified, terminated or discharged except in a writing signed by the party against whom enforcement of such alteration, amendment, modification, termination or discharge is sought. No waiver, release or other forbearance by Trustee or Mortgagee will be effective against Trustee or Mortgagee unless it is in a writing signed by Mortgagee, and then only to the extent expressly stated.

SECTION 8.13. Construction of Provisions. The following rules of construction shall be applicable for all purposes of this Mortgage and all documents or instruments supplemental hereto, unless the context otherwise requires:

(a) All references herein to numbered Articles or Sections or to lettered Exhibits are references to the Articles and Sections hereof and the Exhibits annexed to this Mortgage, unless expressly otherwise designated in context.

(b) The terms "include", "including" and similar terms shall be construed as if followed by the phrase "without being limited to."

(c) The term "Premises" shall be construed as if followed by the phrase "or any part thereof."

(d) The terms "Obligations", "Bank Obligations" and "Existing Obligations" each shall be construed as if followed by the phrase "or any part thereof".

(e) Words of masculine, feminine or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa.

(f) The term "person" shall include natural persons, firms, partnerships, corporations and any other public and private legal entities.

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(g) The term "provisions", when used with respect hereto or to any other document or instrument, shall be construed as if preceded by the phrase "terms, covenants, agreements, requirements, conditions and/or".

(h) All Article, Section and Exhibit captions herein are used for convenience and reference only and in no way define, limit or describe the scope or intent of, or in any way affect, this Mortgage.

(i) No inference in favor of, or against, any party shall be drawn from the fact that such party has drafted any portion hereof.

(j) The cover page of and all recitals set forth in, and all Exhibits to, this Mortgage are hereby incorporated in this Mortgage.

(k) All obligations of Grantor hereunder shall be performed and satisfied by or on behalf of Grantor at Grantor's sole cost and expense.

(l) The term "lease" shall mean "tenancy, subtenancy, lease or sublease" and the term "lessee" shall mean "tenant, subtenant, lessee and sublessee".

SECTION 8.14. Successors and Assigns. The provisions hereof shall be binding upon Grantor and the heirs, devisees, representatives, successors and assigns of Grantor, including successors in interest of Grantor in and to all or any part of the Premises, and shall inure to the benefit of Trustee, Mortgagee and the holders of the Obligations and their respective heirs, successors, legal representatives, substitutes and assigns. All references in this Mortgage to Grantor, Trustee or Mortgagee shall be construed as including all of such other persons with respect to the person referred to. Where two or more persons have executed this Mortgage, the obligations of such persons shall be joint and several except to the extent the context clearly indicates otherwise.

SECTION 8.15. Counterparts. This Mortgage may be executed in any number of counterparts with the same effect as if all parties hereto had executed the same document. All such counterparts shall be construed together and shall constitute one instrument, but in making proof hereof it shall only be necessary to produce one such counterpart.



## ARTICLE IX

Provisions as to Trustee

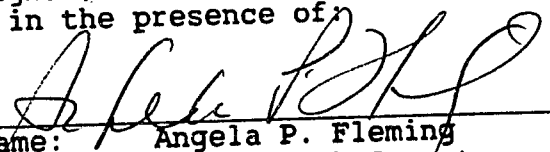
SECTION 9.01. Trustee's Appointment. Trustee may resign by an instrument in writing addressed to Mortgagee, or Trustee may be removed at any time with or without cause by an instrument in writing executed by Mortgagee and duly recorded. In case of the death, resignation, removal or disqualification of Trustee or if for any reason Mortgagee shall deem it desirable to appoint a substitute or successor trustee to act instead of Trustee herein named or any substitute or successor Trustee, then Mortgagee shall have the right and is hereby authorized and empowered to appoint a successor Trustee, or a substitute Trustee, without other formality than appointment and designation in writing executed and acknowledged by Mortgagee and the recordation of such writing in the office where this Mortgage is recorded, and the authority hereby conferred shall extend to the appointment of other successor and substitute Trustees successively until the Bank Obligations have been paid in full or until the Premises are sold hereunder. Such appointment and designation by Mortgagee shall be full evidence of the right and authority to make the same and of all facts therein recited. If Mortgagee is a corporation or a national banking association and such appointment is executed in its behalf by an officer of such corporation or national banking association, such appointment shall be conclusively presumed to be executed with authority and shall be valid and sufficient without proof of any action by the board of directors or any superior officer of the corporation or national banking association. Upon the making of such appointment and designation, all of the estate and title of Trustee in the Premises shall vest in the named successor or substitute Trustee and it shall thereupon succeed to and shall hold, possess and execute all the rights, powers, privileges, immunities and duties herein conferred upon Trustee; but, nevertheless, upon the written request of Mortgagee or of the successor or substitute Trustee, Trustee ceasing to act shall execute and deliver an instrument transferring to such successor or substitute Trustee all of the estate and title in the Premises of Trustee so ceasing to act, together with all the rights, powers, privileges, immunities and duties herein conferred upon Trustee, and shall duly assign, transfer and deliver any of the properties and moneys held by said Trustee hereunder to said successor or substitute Trustee. All references herein to Trustee shall be deemed to refer to Trustee (including any successor or substitute appointed and designated as herein provided) from time to time acting hereunder. Grantor hereby ratifies and confirms any and all acts which Trustee herein named or

its successor or successors, substitute or substitutes, in this trust, shall do lawfully by virtue hereof.


SECTION 9.02. Exculpation. Trustee shall not be liable for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence or willful misconduct. Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by it hereunder, believed by it in good faith to be genuine. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by law), and Trustee shall be under no liability for interest on any moneys received by it hereunder.


IN WITNESS WHEREOF, Grantor has executed this Mortgage under seal as of the 19th day of November, 1982.

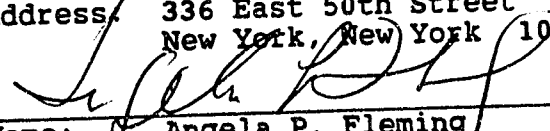
Witnesses to execution  
by Diamond International  
Corporation:  
Signed, sealed and delivered  
in the presence of:

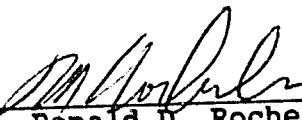
  
Name: Angela P. Fleming  
Address: 84-70 129th Street  
Kew Gardens, New York  
11415


DIAMOND INTERNATIONAL  
CORPORATION

By   
Name: George Pascale  
Title: Vice President  
and Secretary

  
Name: Kevin Handwerker  
Address: 336 East 50th Street  
New York, New York 10022

  
Name: Angela P. Fleming  
Address: 84-70 129th Street  
Kew Gardens, New York  
11415

By   
Name: Ronald D. Rocheleau  
Title: Treasurer

  
Name: Kevin Handwerker  
Address: 336 East 50th Street  
New York, New York 10022

[Corporate Seal]

733 Third Avenue  
New York, New York 10017

16042

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

On the 24th day of November, 1982, before me personally came George Pascale and Ronald D. Rocheleau, to me known, who, being by me duly sworn, did depose and say that they reside at 333 Rosedale Avenue, White Plains, New York 10605 and 2 Cannondale Road, Weston, Connecticut 06883, respectively; and that they are the Vice President and Secretary and the Treasurer, respectively, of Diamond International Corporation, the corporation described in and which executed the above instrument; that they know the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that they signed their names thereto by like order.

[Notarial Seal]

*Johanna Barry*  
Notary Public

JOHANNA BARRY  
Notary Public, State of New York  
No. 41-4767460  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires March 30, 1984

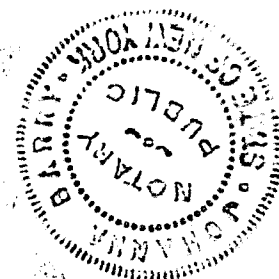


EXHIBIT A

16043

PARCEL 1

Township 25 South, Range 6 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 13:  $E\frac{1}{2}$

Section 24:  $NE\frac{1}{4}$ ,  $E\frac{1}{2}W\frac{1}{2}$ ,  $N\frac{1}{2}SE\frac{1}{4}$ ,  $SW\frac{1}{2}SE\frac{1}{4}$

Section 25:  $NW\frac{1}{4}$ ,  $SE\frac{1}{2}SW\frac{1}{4}$

Township 25 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 18: Lots 1, 2, 3 and 4

Section 19: Lots 2 and 3

AND

The Northwest quarter of the Northeast quarter of Section 33, Township 28 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 2

The  $S\frac{1}{2}SE\frac{1}{4}$ ,  $NE\frac{1}{4}SE\frac{1}{4}$ ,  $SE\frac{1}{4}NE\frac{1}{4}$  Section 24, Township 23 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $NE\frac{1}{4}NW\frac{1}{4}$ ,  $NW\frac{1}{4}NE\frac{1}{4}$  Section 25, Township 23 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $W\frac{1}{2}NE\frac{1}{4}$ ,  $NE\frac{1}{4}NE\frac{1}{4}$  Section 36, Township 23 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Government Lots 4 and 5 Section 19, Township 23 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Government Lots 7, 10 and 15, Section 18, Township 23 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $NW\frac{1}{4}SW\frac{1}{4}$ ,  $SW\frac{1}{4}NW\frac{1}{4}$  Section 2, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Government Lots 2, 3, 4  $SW\frac{1}{4}NW\frac{1}{4}$ ,  $SE\frac{1}{4}SW\frac{1}{4}$ ,  $SE\frac{1}{4}$  Section 3, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

continued ...

The N $\frac{1}{2}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$  Section 4, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The N $\frac{1}{2}$  Section 5, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The SW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 9, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The E $\frac{1}{2}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ , SE $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$  Section 10, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The SE $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 11, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The E $\frac{1}{2}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$  Section 14, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The W $\frac{1}{2}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$  Section 15, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The N $\frac{1}{2}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$  Section 20, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The N $\frac{1}{2}$ N $\frac{1}{2}$  Section 21, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The SE $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$  Section 22, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The E $\frac{1}{2}$ E $\frac{1}{2}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 23, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The W $\frac{1}{2}$ SW $\frac{1}{4}$  Section 24, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The SE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 25, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon; NE $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ , Portion of SE $\frac{1}{4}$ SE $\frac{1}{4}$  lying Northwest of Road and SE $\frac{1}{4}$ SW $\frac{1}{4}$  lying East of River, Section 26, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 28, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The SE $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 29, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The E $\frac{1}{2}$ NE $\frac{1}{4}$  Section 32, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $W\frac{1}{2}NW\frac{1}{4}$ ,  $SW\frac{1}{4}SW\frac{1}{4}$ ,  $NW\frac{1}{4}SE\frac{1}{4}$ ,  $NE\frac{1}{4}NW\frac{1}{4}$  Section 33, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $S\frac{1}{2}SE\frac{1}{4}$  Section 34, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $N\frac{1}{2}NE\frac{1}{4}$ ,  $SW\frac{1}{4}NE\frac{1}{4}$ ,  $SE\frac{1}{4}NW\frac{1}{4}$ ,  $SE\frac{1}{4}$ ,  $E\frac{1}{2}SW\frac{1}{4}$ ,  $SW\frac{1}{4}SW\frac{1}{4}$  Section 35, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $W\frac{1}{2}SE\frac{1}{4}$ ,  $NE\frac{1}{4}$ ,  $SE\frac{1}{4}NW\frac{1}{4}$  Section 36, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Lots 1, 2, 7 and 8,  $W\frac{1}{2}SE\frac{1}{4}$  Section 8, Township 24 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

$SE\frac{1}{4}SW\frac{1}{4}$  Section 11, Township 24 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $S\frac{1}{2}NE\frac{1}{4}$ ,  $NW\frac{1}{4}NE\frac{1}{4}$ ,  $NE\frac{1}{4}NW\frac{1}{4}$ ,  $W\frac{1}{2}SW\frac{1}{4}$  Section 21, Township 24 South, Range 8 East of the Willamette Meridian, and  $NW\frac{1}{4}NW\frac{1}{4}$  Section 28, Township 24 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $W\frac{1}{2}NE\frac{1}{4}$  Section 2, Township 25 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $S\frac{1}{2}SE\frac{1}{4}$ ,  $NW\frac{1}{4}SE\frac{1}{4}$  Section 25, Township 25 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $W\frac{1}{2}NE\frac{1}{4}$ ,  $E\frac{1}{2}NW\frac{1}{4}$ ,  $NE\frac{1}{4}SW\frac{1}{4}$  Section 1, Township 24 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $W\frac{1}{2}NW\frac{1}{4}$ ,  $NE\frac{1}{4}NW\frac{1}{4}$  Section 2, Township 24 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

The  $N\frac{1}{2}$ ,  $SW\frac{1}{4}$  Section 2, Township 24 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

All Section 5, Township 24 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

### PARCEL 3

The  $W\frac{1}{2}SE\frac{1}{4}$  EXCEPT any portion lying within Little River Ranch Plat and the  $E\frac{1}{2}SW\frac{1}{4}$  Section 2, Township 23 South, Range 9 East of the Willamette Meridian, and  $NW\frac{1}{4}NE\frac{1}{4}$  Section 11, Township 23 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon.



EXHIBIT B

Permitted Encumbrances

16046

1. The lien of this Mortgage.
2. The leasehold interest of the tenants under the leases described on Exhibit B-1 attached hereto and made a part hereof.
3. Liens in respect of Impositions (as defined in Section 2.07 hereof) not yet due and payable.
4. Any state of facts that an accurate survey or personal inspection would reveal.
5. The reservation by any prior grantor of any right, title and interest in and to all oil, gas and other hydrocarbon substances, minerals, ores and metals of every nature and kind in and under the Premises.
6. Rights, if any, relating to construction and maintenance, in connection with any public authority, of streets, tunnels, wires, poles, pipes and appurtenances thereto, on, under or across the Premises.
7. Regulations of any governmental authority, agency, department or instrumentality having or claiming jurisdiction of or with respect to or affecting the Premises.
8. Rights, easements and licenses in favor of, and agreements with, any public utility company including, but not limited to, gas, electricity, telephone, telegraph and cable television services and pipelines and private sewer agreements, which do not materially and adversely affect the use of the Premises for their current use.
9. Encumbrances of record which do not materially and adversely affect the use of the Premises for their current use.

EXHIBIT B-1

16047

Leases

None

SCHEDULE I

16048

Merger Information

1. Corporations which have been merged into Grantor:

UNIFORM CHEMICAL PRODUCTS, INC.  
SECURITY LITHOGRAPH COMPANY  
MAGNETIC CODING COMPANY  
SECURITY LITHOGRAPH COMPANY, LABEL DIVISION  
SCHWABACHER-FREY COMPANY  
PENOBSCOT COMPANY  
THE UNITED STATES PLAYING CARD COMPANY  
DIAMOND NATIONAL CORPORATION  
THE HEEKIN CAN COMPANY  
CALMAR, INC.  
STATE FOREST PRODUCTS CO.  
TILESTON AND HOLLINGSWORTH COMPANY  
DIAMOND AUTOMATION, INC.  
THE DAYTON PAPER STOCK CO.  
LMF CORPORATION  
FORREST LUMBER COMPANY  
FOSTER LUMBER COMPANY, INC.  
BROOKS-SCANLON, INC.

2. Corporations which have been merged into Foster Lumber Company, Inc.:

TYLANDER LUMBER COMPANY, INC.

3. Previous names of Penobscot Company:

PENOBSCOT CHEMICAL FIBRE COMPANY

State of OREGON: COUNTY OF KLAMATH: ss.

I hereby certify that the within instrument was received and filed for record on the

29 day of Nov A.D., 1982 at 2:27 o'clock P M., and duly recorded in

Vol M82 of Mtge on page 15980.

Fee \$ 280.00

EVELYN BIEHN  
COUNTY CLERK

By J. J. McArthur deputy