

CORRECTED COPY  
Recordation No. 13637

*C.F. Kappler*

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ELLSWORTH C. ALVORD (1964)

ROBERT W. ALVORD  
ALBERT H. GREENE  
CARL C. DAVIS\*  
CHARLES T. KAPPLER  
JOHN H. DOYLE  
MILTON C. GRACE\*  
GEORGE JOHN KETO\*\*  
RICHARD N. BAGENSTOS

\* NOT A MEMBER OF D. C. BAR  
\*\* ALSO A MEMBER OF OHIO BAR

April 30, 1982

13637

RECORDATION NO. 13637

MAY 4 1982 / 2 23 PM

INTERSTATE COMMERCE COMMISSION

TELEX

440367 A AND A WSH (INTERNATIONAL)  
440348 CDAA UI (INTERNATIONAL)  
92482 A AND A WSH (DOMESTIC)

Agatha L. Mergenovich  
Secretary  
Interstate Commerce Commission  
Washington, D.C.

Dear Ms. Mergenovich:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. §11303 is a Third Mortgage, Deed of Trust and Security Agreement dated April 28, 1982, a "primary document" as that term is defined in 49 C.F.R. §1116.1(a).

A general description of the railroad equipment covered by the enclosed document is set forth in Schedule I attached to this letter and made a part hereof.

The names and addresses of the parties to the enclosed document are as follows:

Mortgagor: LCP Chemicals & Plastics, Inc.  
LCP Transportation, Inc.  
Raritan Plaza II  
Raritan Center  
Edison, New Jersey

Mortgagee: Fidelity Union Bank and William  
Arnebeck, as Trustees  
753 Broad Street  
Newark, New Jersey 07101

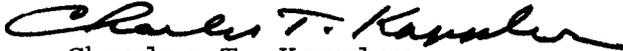
The undersigned is agent for the Mortgagee mentioned in the enclosed document for the purpose of submitting it for recordation.

Agatha L. Mergenovich  
Secretary  
April 30, 1982  
Page Two

Please return the copies of the enclosed document not needed for recordation purposes to Charles T. Kappler, Alvord and Alvord, 918 Sixteenth Street, N.W., Washington, D.C. 20006.

Also enclosed is a check in the amount of \$50 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Very truly yours,

  
Charles T. Kappler

## SCHEDULE I

## List of Railroad Tank Cars

| Number of<br>Units<br>Per Group | Identifying Marks |          |
|---------------------------------|-------------------|----------|
|                                 | From              | To       |
| 1                               | ACDX067006 ✓      |          |
| 1                               | ACDX068085 ✓      |          |
| 1                               | ACDX068089 ✓      |          |
| 1                               | ACDX068250 ✓      |          |
| 1                               | ACDX068260 ✓      |          |
| 2                               | ACDX068264 ✓      | 068265 ✓ |
| 1                               | ACDX068270 ✓      |          |
| 1                               | ACDX068275 ✓      |          |
| 1                               | ACDX068292 ✓      |          |
| 4                               | ACDX068295        | 068298 ✓ |
| 5                               | ACDX068302        | 068306 ✓ |
| 1                               | ACDX068308 ✓      |          |
| 2                               | ACDX068313 ✓      | 068314 ✓ |
| 1                               | ACDX068316 ✓      |          |
| 1                               | ACDX068320 ✓      |          |
| 2                               | ACDX068322 ✓      | 068323 ✓ |
| 1                               | ACDX068326 ✓      |          |
| <u>27</u>                       |                   |          |

**Interstate Commerce Commission**  
Washington, D.C. 20423

5/4/82

OFFICE OF THE SECRETARY

**Charles T. Kappler, Esq.**  
**Alvord & Alvord**  
**200 World Center Building**  
**918 Sixteenth Street, N.W.**  
**Washington, D.C. 20006-2973**

Dear **Sir:**

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on **5/4/82** at **12:20 PM**, and assigned re-  
recording number(s). **13637**

Sincerely yours,

*Agatha L. Mergenovich*  
Agatha L. Mergenovich  
Secretary

Enclosure(s)

LCP CHEMICALS & PLASTICS, INC.,  
formerly known as "Linden Chemicals & Plastics, Inc."  
(individually and as successor by merger to:  
LCP Chemicals - Georgia, Inc.,  
LCP Chemicals - New Jersey, Inc.,  
LCP Chemicals - New York, Inc.,  
LCP Chemicals - North Carolina, Inc.,  
LCP Plastics, Inc.  
and Plastic Industries, Inc.)

13637

RECORDATION NO. .... Filed 1425

AND

ALSO BY  
LCP TRANSPORTATION, INC.

MAY 4 1982 12 20 PM

TO  
FIDELITY UNION BANK  
AND  
WILLIAM C. ARNEBECK

INTERSTATE COMMERCE COMMISSION

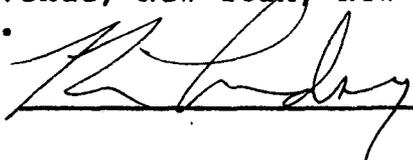
as Trustees

THIRD MORTGAGE,  
DEED OF TRUST AND  
SECURITY AGREEMENT\*

Dated April 28, 1982

Securing \$50,000,000 Term Notes due December 31, 1990

This instrument drawn by Theodore G. Lindsay of Simpson  
Thacher & Bartlett, 350 Park Avenue, New York, New York  
10022.

/s/ 

- \* This instrument shall be deemed to be a DEED TO SECURE DEBT AND SECURITY AGREEMENT with respect to the Property (as defined herein) situated in the State of Georgia.
- \* This instrument is to be filed in the real estate records and is also to be indexed in the index of financing statements.
- \* The names of the Debtor and the Secured Party, the mailing address of the Secured Party from which information concerning the security interest may be obtained, the mailing address of the Debtor and a statement indicating the types, or describing the items, of collateral, are as described in the introductory Paragraph hereof, in compliance with the requirements of Article 9, Section 402 of the Uniform Commercial Code, Title 109A of the Code of Georgia.

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#### Third Mortgage

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THIRD MORTGAGE, DEED OF TRUST  
AND SECURITY AGREEMENT\*

THIRD MORTGAGE, DEED OF TRUST AND SECURITY AGREEMENT\* (this "Mortgage"), dated APRIL 28, 1982, between and among LCP CHEMICALS & PLASTICS, INC., formerly known as "Linden Chemicals & Plastics, Inc." (the "Company"), a Delaware corporation having its principal office and place of business at Raritan Plaza II, Raritan Center, Edison, New Jersey 08837, both individually and as successor by merger to (a) LCP CHEMICALS-GEORGIA, INC. ("Chemicals-Georgia"), formerly a Delaware corporation which had its principal office and place of business at Ross Road, P.O. Box 1558, Brunswick, Georgia 31520; (b) LCP CHEMICALS-NEW JERSEY, INC., ("Chemicals-New Jersey"), formerly a Delaware corporation which had its principal office and place of business at Raritan Plaza II, Raritan Center, Edison, New Jersey 08837; (c) LCP CHEMICALS-NEW YORK, INC. ("Chemicals-New York"), formerly a Delaware corporation, which had its principal office and place of business at Bridge Street, P.O. Box 98, Solvay, New York 31520; (d) LCP CHEMICALS-NORTH CAROLINA, INC. ("Chemicals-North Carolina"), formerly a Delaware corporation which had its principal office and place of business at Industrial Drive, P.O. Box 218, Riegelwood, North Carolina 28456; (e) LCP PLASTICS, INC. ("LCP Plastics"), formerly a Delaware corporation, which had its principal office and place of business at 861 North Lisbon Street, P.O. Box 217, Carrollton, Ohio 44615; and (f) LCP PLASTICS-FLORIDA, INC. ("Plastics-Florida"), formerly known as "Plastic Industries, Inc.", and formerly a Florida corporation, which had its principal office and place of business at 2615 N.E. 5th Avenue, Pompano Beach, Florida 33064 and also by LCP TRANSPORTATION INC. ("LCP Transportation"), a Delaware corporation, having its principal office and place of business at Raritan Plaza II, Raritan Center, Edison, New Jersey 08837 (LCP Transportation, and the Company being sometimes herein

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\*This instrument shall be deemed to be a DEED TO SECURE DEBT AND SECURITY AGREEMENT with respect to the Property (as defined herein) situated in the State of Georgia.

collectively called "Mortgagors"\*\*) and FIDELITY UNION BANK, as trustee, a New Jersey banking corporation, having its principal office and place of business at 765 Broad Street, Newark, New Jersey 07101 (such corporate trustee and any successor corporate trustee at the time acting as such under this Mortgage being herein called the "Corporate Trustee") and WILLIAM C. ARNEBECK, as trustee, having an address at 765 Broad Street, Newark, New Jersey 07101 (such individual trustee and any successor individual trustee at the time acting as such under this Mortgage being herein called the "Individual Trustee") (such Corporate Trustee and Individual Trustee and any such successor trustee being herein collectively called the "Trustees");

WHEREAS, the Company, Manufacturers Hanover Trust Company ("MHT"), a New York banking corporation, The Prudential Insurance Company of America ("Prudential"), a New Jersey corporation, Midlantic National Bank a national banking association ("Midlantic"; MHT, Prudential and Midlantic collectively, the "Lenders") have entered into a Financing Agreement (the "Financing Agreement"), dated as of April 26, 1982, which is substantially in the form of Exhibit 1 attached hereto, pursuant to which the Lenders have made term loans to the Company in an aggregate principal amount of \$50,000,000, evidenced by term promissory notes of the Company with a final stated maturity of December 31, 1990 (such notes and any notes issued in exchange or replacement therefor including, without limitation, all extensions, renewals, amendments, supplements and any other modifications to any thereof at any time entered into, being called the "Notes"); and

---

\*\*In each instance where the terms and conditions of this instrument affect Property situated in the State of Georgia, or the obligations of any party conveying such Property to secure the indebtedness described herein, any reference to "Mortgagor" or "Mortgagors" contained herein shall be deemed to read "Grantor" or "Grantors," respectively, any reference to this "Mortgage" shall be deemed to refer to this "Deed," and any reference to the "lien of this Mortgage" shall be deemed to refer to the "security title of this Deed."

WHEREAS, a portion of the proceeds of the issue and sale of the Notes will be used by the Company to acquire from International Minerals & Chemical Corporation ("IMC"), a New York Corporation, two manufacturing facilities at Ashtabula, Ohio and Orrington, Maine, in each case together with certain additional real and personal property relating to such plants, pursuant to a Purchase Agreement (the "Purchase Agreement"), dated February 1, 1982 between the Company and IMC; and

WHEREAS, on December 14, 1979 MHT loaned the Company an aggregate principal amount of \$14,500,000 pursuant to a Bank Loan Agreement, dated as of December 11, 1979, as amended from time to time, among the Mortgagors, certain former subsidiaries of the Company and MHT, which loans are presently evidenced by (a) a Term Note of the Company, dated December 14, 1979, in the original principal amount of \$4,500,000 (the "MHT 1979 Term Note"); (b) a Promissory Note of the Company, dated December 14, 1979, in the original principal amount of \$7,500,000 (the "MHT Interim IDA Note"), since assigned by MHT to LCP Chemicals-New York, Inc. (formerly a Delaware corporation and since merged into the Company), which in turn pledged it to MHT as collateral security for the IDA Bond; (c) without duplication of item (b), the Onondaga County Industrial Development Agency's ("IDA") Industrial Development Bond (LCP Chemicals-New York, Inc. Project - 1980 Series), No. AR-1, dated as of August 1, 1980, in a face amount of \$7,500,000 (the "IDA Bond"), the repayment of which is secured by the Indenture of Trust, dated as of August 1, 1980, by the IDA to MHT, as trustee, under which the IDA assigned to MHT its rights under the Sale Agreement, dated as of August 1, 1980, between the IDA and the Company (as successor by merger to LCP Chemicals-New York, Inc., formerly a Delaware corporation), including, without limitation, certain rights in certain realty and related property (all as more fully set forth therein); and (d) the promissory note of the Company, dated December 14, 1979, in an initial principal amount of \$2,500,000 (the "MHT Interim Salt Note"); collectively, the MHT 1979 Term Note, the MHT Interim IDA Note, the IDA Bond and the MHT Interim Salt Note, the "1979 MHT Notes"; and

WHEREAS, on December 14, 1979 the Company and Prudential entered into a Note and Warrant Agreement, dated

as of December 11, 1979, as amended from time to time, pursuant to which the Company issued and sold to Prudential its 11.50% Secured Notes due December 31, 1994 in the aggregate principal amount of \$27,000,000 (such Notes and any notes issued in exchange or replacement therefor being herein called the "1979 Prudential Notes"; the 1979 MHT Notes and the 1979 Prudential Notes, including, without limitation, all extensions, renewals, amendments, supplements and any other modifications to any thereof at any time entered into, the "1979 Notes"); and

WHEREAS, the proceeds of the 1979 Notes were used by the Company to purchase certain manufacturing plants at Brunswick, Georgia, Geddes, New York and Acme, North Carolina and also to provide working capital; and

WHEREAS, the Lenders have required, as a condition precedent to the making of the loans evidenced by the Notes, that the Mortgagors provide collateral security for the Notes and additional collateral security for the 1979 Notes; and

WHEREAS, the Company, in order to provide such collateral security, covenanted and agreed, pursuant to the provisions of the Financing Agreement, to grant and to cause LCP Transportation to grant, to the Trustees, for the benefit of the holders of the Notes (collectively, the "Secured Indebtedness") this Mortgage;

NOW, THEREFORE, in consideration of the premises, Mortgagors do hereby grant, bargain, sell, mortgage, warrant, pledge, assign, transfer, convey, set over unto and create a security interest in all of their respective right, title and interest in (whether such right, title and interest is owned at the date hereof or hereafter acquired), to and under all of the following property (the "Property") to the Trustees and to their respective successors and assigns forever to secure the payment when and as due and payable of (i) the principal of, and interest on, the Notes, and (ii) all other indebtedness and obligations of the Mortgagors under the Financing Agreement (other than the principal of and interest for the Revolving Credit Notes thereunder) and this Mortgage:

(a) the lands described in Schedules A to C, inclusive, in Schedule E and as Parcel I in Schedule F,

attached hereto, subject, however, to Permitted Exceptions (as such term and certain other terms used herein without definition are defined in section 1.01);

(b) all right, title and interest now or hereafter of the Mortgagors in, to and under the Lease (the "Olin Lease"), dated June 1, 1979, between the Jeffson Corporation, as Lessor, and Olin Corporation, as Lessee (a memorandum of which is dated January 20, 1975, filed February 13, 1975 in volume 49, page 544 of the Carroll County, Ohio Records), such Lease having been assigned by Olin Corporation, as Assignor, to LCP Plastics, as Assignee, by an Assignment and Assumption of Lease, dated March 31, 1978 (consented to by Lessor and filed April 7, 1978 in volume 53, pages 942 to 945 of the Carroll County, Ohio Records), and in the leasehold estate created thereby in the lands described as Parcel II in Schedule F attached hereto, subject, however, to Permitted Exceptions and, in the event Mortgagor shall, pursuant to the option to purchase contained in the Olin Lease, acquire a fee title in and to the lands described as Parcel II in Schedule F attached hereto, such lands;

(c) all right, title and interest now or hereafter of the Mortgagor in, to and under the Sale Agreement ("IDA Sale Agreement"), dated as of August 1, 1980, between the Onondaga County Industrial Development Agency (the "IDA") and the Company (as successor by merger to LCP Chemicals-New York, Inc.) recorded at the Onondaga County Clerk's Office on August 14, 1980 in Liber 2922 of Mortgages at page 252, and in the purchase of and related rights to use, occupy, lease and otherwise enjoy the lands described in Schedule D attached hereto, subject however, to Permitted Exceptions, and, in the event the Company shall ever acquire thereby a fee title in and to the lands described in Schedule D attached hereto, such lands;

(d) all buildings, structures and other improvements now or hereafter located on the lands referred to in subdivision (a), (b) and (c) above (such lands being herein collectively called the "Lands") and all fixtures now or hereafter attached to, located in or used in connection with any such buildings,

structures or improvements (such of the Property as is referred to in this subdivision (d) being herein collectively called the "Improvements");

(e) all machinery, apparatus, compressors, pipes, pipelines, conveyors and other equipment (as that term is defined in Section 9-109(2) of the Uniform Commercial Code of the State of New York), all furniture and other tangible personal property now or hereafter owned by either Mortgagor and now or hereafter located on the Lands or in the Improvements or used in connection with any Property or the business of either Mortgagor, including, without limitation, in connection with the manufacture and production of caustic soda, caustic potash, chlorine, sodium hypochlorite, potassium carbonate, caustic bottle wash, hydrogen gas, brine, bleach, chemicals, polyvinyl chloride pipe and fittings and other products (such of the Property as is referred to in this subdivision (d) being herein collectively called the "Equipment");

(e) all storage vessels, tanks, containers and cylinders located on or in or used in connection with any Property or the business of either Mortgagor, including, without limitation, all such items loaned, rented or leased to or used by or located at the premises of customers of such Mortgagor;

(f) all vehicles and rolling stock now or hereafter owned by either Mortgagor and now and hereafter used in connection with any Property or the business of either Mortgagor (whether or not located on or in the Property), including, without limitation, all automobiles, trucks, tractors, trailers, semi-trailers and other motor vehicles, all barges and the railroad tank cars listed on Schedule G hereto and all other railroad tank cars, and all storage vessels, tanks, containers and cylinders affixed thereto for use thereon;

(g) all rights-of-way or use, servitudes, licenses, easements, tenements, hereditaments, and appurtenances now or hereafter belonging or appertaining to any of the foregoing;

(h) all awards and other payments in respect of any Taking, and all insurance proceeds and title insurance proceeds (whether payable to either Mortgagor or the Trustees or otherwise) in respect of any of the foregoing;

(i) all earnings, income, tolls, rents, proceeds (including, without limitation, "proceeds" as defined in Section 9-306(1) of the Uniform Commercial Code of the State of New York), issues and profits of the Property or any part thereof and all the estate, reversion, remainder, right, title, interest, possession, claim and demand whatsoever, as provided by law or otherwise, of, in and to the Property or any part thereof (all of the Property described in subdivisions (d) through and including this subdivision (i) being deemed, as between Grantors and Trustees, to be fixtures and accessions to the Lands to the extent that such Property is situated in the State of Georgia);

TO HAVE AND TO HOLD the foregoing, together with all other properties and moneys from time to time included in the Trust Estate, unto the Trustees, their respective successors in the trusts created hereby and assigns, forever;

IN TRUST, NEVERTHELESS, with power of sale, upon the terms and trusts herein set forth, for the benefit and security of all the present and future holders of the Secured Indebtedness.

AND, WITH RESPECT TO THAT PORTION OF THE TRUST ESTATE SITUATED IN THE STATE OF GEORGIA, THIS DEED is intended to operate and is to be construed as a deed passing title to the Property to the Trustee and is made under those provisions of the existing laws of the State of Georgia relating to deeds to secure debt, and not as a mortgage, and is given to secure the payment of the Secured Indebtedness;

PROVIDED, ALWAYS, and these presents are upon the express condition that if the Company or LCP Transportation, as the case may be, shall pay the principal of and premium, if any, and interest on the Secured Indebtedness in accordance with the terms thereof and all

other sums payable thereunder and hereunder and shall comply with all of the terms, conditions and requirements thereof and hereof, then this Mortgage and the estate hereby created shall cease, determine and be void and of no further force and effect.

THIS MORTGAGE secures property, both real and personal, located in six different states. The lands located in the State of Florida encumbered hereby are insufficient in value to support a loan in the amount of \$50,000,000; therefore, irrespective of anything contained in this Mortgage to the contrary, Mortgagors have agreed with the Trustees that an amount of the Secured Indebtedness equal to \$1,007,374 is secured by the property located in the State of Florida (the "Florida Property"), of which \$100,000 is secured by property subject to the Florida intangibles tax, and, therefore, in the event of foreclosure and sale of the Florida Property, the maximum recovery of the Trustees in the event of the sale of the Florida Property to any Person other than the Trustees will be \$100,000; plus such amounts as interest, costs, attorney fees and monies advanced for insurance premiums, taxes and preservation of the Florida Property.

IT IS HEREBY COVENANTED by the parties hereto that the Property is to be held and applied subject to the further terms herein set forth; and Mortgagors, for themselves and their respective successors and assigns, hereby jointly and severally covenant and agree with the Trustees as follows:

#### SECTION 1. DEFINITIONS

1.01. Definitions. As used in this Mortgage the following terms have the following respective meanings:

Allied: Allied Corporation, a New York corporation formerly known as "Allied Chemical Corporation."

Authorized Securities: (a) commercial paper maturing not in excess of six months from the date of acquisition and rated P-1 by Moody's Investors Service, Inc. or A-1 by Standard & Poor's Corporation on the date of acquisition, (b) certificates of deposit of

Summit and Elizabeth Trust Company and other United States commercial banks having a combined capital and surplus in excess of \$100,000,000 and (c) obligations of the United States Government or any agency thereof and obligations guaranteed by the United States Government, in each case maturing not in excess of one year from the date of acquisition.

Beneficiaries: MHT, Prudential, Midlantic and any and all other present or future holders of the Secured Indebtedness at the time outstanding.

Company: LCP Chemicals & Plastics, Inc., a Delaware corporation, and any successor or successors to its obligations hereunder.

Corporate Trustee: as defined in the recitals hereto.

Deed: this Deed to Secure Debt and Security Agreement, as at the time amended, modified or supplemented (by a supplemental deed or otherwise). [This definition shall be applicable only with respect to Property situated in the State of Georgia, or the obligations of any party conveying such Property to secure the indebtedness described herein.]

Default: any condition or event which constitutes or which, after notice or lapse of time or both, would constitute an Event of Default under the Financing Agreement, this Mortgage, the First Mortgage or the Second Mortgage.

Destruction: any damage to or destruction of all or any part of the Property.

Equipment: as defined in the granting clauses hereof.

Event of Default: as defined in section 4.01.

First Mortgage: The First Mortgage, Deed of Trust and Security Agreement, dated December 14, 1979, by the Company, certain of its former subsidiaries and LCP Transportation, to Irving Trust Company and D.W. May, as Trustees, securing the 1979 Prudential Notes, the

1979 MHT Term Note and the MHT Interim IDA Note, which has been recorded as indicated below:

|    | <u>Jurisdiction</u>                                       | <u>Recording</u>                | <u>Date and Time of Recording</u> |
|----|---|---------------------------------|-----------------------------------|
| 1. | Florida<br>Broward County<br>Office of County<br>Recorder | O.R. Book 8618<br>Page 1        | December 14, 1979<br>1:48 P.M.    |
| 2. | Georgia<br>Glynn County<br>Clerk of<br>Superior Court     | Deed Book 21<br>Page 269        | December 14, 1979<br>12:27 P.M.   |
| 3. | New Jersey<br>Union County<br>Register of<br>Deeds        | Mortgage Book<br>3253; Page 340 | December 14, 1979<br>11:09 A.M.   |
| 4. | New York<br>Onondaga County<br>Office of<br>County Clerk  | Mortgage Book<br>2855; Page 1   | December 14, 1979<br>11:44 A.M.   |
| 5. | North Carolina<br>Columbus County<br>Register of Deeds    | Book 182<br>Page 143            | December 14, 1979<br>10:52 A.M.   |
| 6. | Ohio<br>Carroll County                                    | Volume 135<br>Page 652-876-B    | December 14, 1979<br>11:44 A.M.   |

First Mortgagees: Irving Trust Company and D. W. May, as Trustees under the First Mortgage.

Grantor: the Company.

IDA Sale Agreement: as defined in the recitals hereto.

IDA Indenture: as defined in the recitals hereto.

Impositions: all taxes, assessments (including, without limitation, all assessments for public improvements or benefits, whether or not commenced or

completed prior to the date hereof), ground rents, water, sewer or other rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen of every character (including all interest and penalties thereon), which at any time may be assessed, levied, confirmed or imposed on or in respect of or be a lien upon (a) the Property or any part thereof or any rents, issues, profits or earnings therefrom or any estate, right or interest therein, or (b) any occupancy, use or possession of or activity on the Property or any part thereof.

Improvements: as defined in the granting clauses hereof.

Individual Trustee: as defined in the recitals hereto.

Insurance Requirements: all terms of any insurance policy covering or applicable to the Property or any part thereof, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the Property or any part thereof or any use or condition of the Property or any part thereof.

Lands: as defined in the granting clauses hereof.

LCP Transportation: as defined in the recitals hereto.

Legal Requirements: all laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all governments, departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen or unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to the Property or any part thereof, or any of the adjoining sidewalks, streets or ways, or any use or condition of the Property or any part thereof.

MHT: as defined in the recitals hereto.

MHT Interim IDA Note: as defined in the recitals hereto.

MHT 1979 Interim Salt Note: as defined in the recitals hereto.

MHT 1979 Term Note: as defined in the recitals hereto.

Midlantic: as defined in the recitals hereto.

Mortgage: this Third Mortgage, Deed of Trust and Security Agreement, as at the time amended, modified or supplemented (by a supplemental mortgage or otherwise).

Mortgagors: as defined in the recitals hereto.

Net Awards: all awards and payments received by or payable to the Trustees on account of a Taking of all or any part of the Property, less the actual costs, fees and expenses incurred in the collection thereof and deducted therefrom prior to receipt or payment thereof to the Trustees.

Net Insurance Proceeds: all insurance proceeds received by or payable to the Trustees on account of any Destruction, less the actual costs, fees and expenses incurred in the collection thereof and deducted therefrom prior to receipt or payment thereof to the Trustees.

New Jersey Assets: the lands described in Schedule C hereto and all improvements, fixtures, equipment and personal property located thereon, relating thereto or used in connection therewith owned by the Company.

1979 MHT Notes: as defined in the recitals hereto.

1979 Notes: as defined in the recitals hereto.

1979 Prudential Notes: as defined in the recitals hereto.

Notes: as defined in the recitals hereto.

Officer's Certificate: a certificate signed in the name of the corporation in question by its President, one of its Vice Presidents or its Treasurer.

Olin Lease: as defined in the granting clauses hereof.

Partial Destruction: as defined in section 3.03.

Partial Taking: as defined in section 3.04.

Permitted Exceptions: (i) the exceptions set forth in the marked commitments for policies of title insurance or policies of title insurance delivered to the Trustees at the initial closing under the Financing Agreement, provided, however, that no exception will be permitted for exclusions from title insurance coverage by reason of building or zoning ordinances or other Legal Requirements, (ii) liens for Impositions not yet payable, or payable without the addition of any fine, penalty, interest, cost for nonpayment, or being contested as permitted by section 2.15, (iii) liens of mechanics, materialmen, suppliers or vendors or rights thereto, incurred in the ordinary course of business for sums which under the terms of the related contracts are not yet due but will become due within 60 days after completion of the work in question (or for such other period as is customary in such contracts) or for which such reserve or other appropriate provision, if any, as shall be required by generally accepted accounting principles shall have been made, (iv) liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security, or to secure the performances of tenders, statutory obligations, surety and appeal bonds, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money), (v) minor defects and irregularities in title that, in the Trustees' opinion, do not materially adversely affect the marketability of or title to any Property or the use to which such Property is put, (vi) liens consisting of a lease by either Mortgagee as

lessee that is permitted under subsection 8.9 of the Financing Agreement and that is required to be capitalized in accordance with generally accepted accounting principles and (vii) the liens of the First Mortgage and the Second Mortgage.

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

Property: as defined in the granting clauses hereof.

Prudential: as defined in the recitals hereto.

Purchase Agreement: as defined in the recitals hereto.

Required Holders: (a) so long as each of MHT, Prudential and Midlantic, or their respective nominees, shall be the holder of any Notes, any two of MHT, Prudential and Midlantic; or (b) if one or more of MHT, Prudential and Midlantic shall no longer be the holder of any Notes any holder or holders of 66-2/3% or more in principal amount of the Notes at the time outstanding and any of MHT, Prudential and Midlantic which is still a holder of any Notes.

Responsible Officer: with respect to the Corporate Trustee or any separate trustee or co-trustee, the chairman of the board of directors, the president, every vice president, every assistant vice president, the cashier, every assistant cashier, the secretary, every assistant secretary, every trust officer, and every officer and assistant officer of such trustee, other than those specifically above mentioned, to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with a particular subject.

Restoration: any restoration, replacement or rebuilding of and any alterations or additions to (together with any temporary repairs and property protection pending completion of such work) the Property after Destruction of the Property or a Taking of the Improvements or Equipment.

Second Mortgage: the Second Mortgage and Deed of Trust by the Company, certain of its former Subsidiaries, and LCP Transportation to J. Henry Schroder Bank and Trust Company and Michael J. Pellino, as Trustees, dated December 14, 1979, securing (a) the Company's 10% Subordinated Secured Note due September 30, 1989, payable to Allied, in the original principal amount of \$5,000,000, (b) the MHT Interim Salt Note in the original principal amount of \$2,500,000, and (c) the Company's Subordinated Secured International Salt Notes due December 1, 1983, in the aggregate original principal amount of \$3,000,000, payable to International Salt Company and Antilles International Salt Company and Antilles International Salt Company in the respective original principal amounts of \$2,500,000 and \$500,000. The Second Mortgage has been recorded as indicated below:

|    | <u>Location of<br/>Mortgaged Property/<br/>Date of Recording</u> | <u>Place of Recordation</u>                               | <u>Book/Page</u> |
|----|--|---|------------------|
| a. | Pompano Beach,<br>Florida<br>12/14/79                            | Florida<br>Broward County<br>Office of County<br>Recorder | 8618/228         |
| b. | Brunswick,<br>Georgia<br>12/14/79                                | Georgia<br>Glynn County<br>Clerk of Superior<br>Court     | 21-P/496         |
| c. | Linden,<br>New Jersey<br>12/14/79                                | New Jersey<br>Union County<br>Register of Deeds           | 3253/568         |
| d. | Syracuse,<br>New York<br>12/14/79                                | New York<br>Onondaga County<br>Office of County Clerk     | 2855/232         |
| e. | Acme,<br>North Carolina<br>12/14/79                              | North Carolina<br>Columbus County<br>Register of Deeds    | 182/370          |
| f. | Carrollton,<br>Ohio<br>12/14/79                                  | Ohio<br>Carroll County<br>County Recorder                 | 135/<br>877/1085 |
| g. | Various locations<br>12/14/79                                    | Washington, D.C.<br>Interstate Commerce<br>Commission     | 11200            |

Second Mortgagees: J. Henry Schroder Bank & Trust Company and Michael J. Pellino, as Trustees under the Second Mortgage.

Secured Indebtedness: as defined in the recitals hereto.

Taking: a taking of all or any part of the Property, or any interest therein or right accruing thereto, as the result of or in lieu or in anticipation of the exercise of the right of condemnation or eminent domain, or a change of grade affecting the Property or any part thereof.

Total Destruction: as defined in section 3.03.

Total Taking: as defined in section 3.04.

Trustees: as defined in the recitals hereto.

Trust Estate: the Property at the time subject to this Mortgage, and all other properties and moneys from time to time mortgaged or assigned to or pledged or deposited with the Trustees as security for the Secured Indebtedness.

Unavoidable Delays: delays due to strikes, acts of God, governmental restrictions, enemy action, civil commotion, fire, unavoidable casualty, inability to obtain labor or materials or other causes beyond the control of Mortgagors; lack of funds shall not be deemed a cause beyond the control of Mortgagors.

## SECTION 2. THE SECURED INDEBTEDNESS AND MORTGAGED PROPERTY

2.01. Payment of Notes, etc. The Company will duly and punctually pay or cause to be paid (a) in accordance with the terms of the Financing Agreement, the principal of, and interest on, the Notes, and (b) all other sums which may become payable under the terms of the Financing Agreement, the Notes and this Mortgage. The Company will duly perform and comply, and will cause the other Mortgagor to duly perform and comply, with all of the terms of the Financing Agreement, the Notes and this

Mortgage which are required to be performed or complied with by, or which are otherwise applicable to, the Company or the other Mortgagor.

2.02. Title to the Property; Authority, etc.

Mortgagors represent and warrant that each of them (a) has good and marketable title in fee simple absolute to the Lands owned by each of them and the Improvements located thereon, (b) has good and marketable title to the leasehold estate created pursuant to the Olin Lease (c) has good and marketable title to the Equipment, including, without limitation, that located on the Lands and the premises subject to the Olin Lease, and (d) has good and marketable title to all other items of real or personal property (tangible or intangible) included in the Property owned by each, in each case subject to no lien, encumbrance or charge other than this Mortgage and Permitted Exceptions. Mortgagors represent and warrant that each has good and lawful right and authority to execute this Mortgage and to convey the Property owned by each as provided herein. Each Mortgagor, at its expense, will warrant and defend to the Trustees, for the benefit of the Beneficiaries, such title and the lien and interest of the Trustees and such Beneficiaries on and in the Property to the extent of its interests therein against all claims and demands and will maintain and preserve, or cause to be maintained and preserved, such lien so long as any Secured Indebtedness is outstanding.

2.03. Title Insurance; Application of Proceeds.

Each Mortgagor hereby irrevocably assigns, transfers and sets over to the Trustees all rights of such Mortgagor to any insurance proceeds payable to such Mortgagor under any policies of title insurance that relate to the Trust Estate and that name or inure to the benefit of, either Mortgagor, and each Mortgagor will execute and deliver such instruments as may be required by the title insurance companies in order to make this assignment of proceeds valid, binding and enforceable against such Mortgagor and such title insurance company affected hereby, provided, however, that this assignment of title insurance proceeds and all rights granted hereunder are subject and subordinate to the assignment of title insurance proceeds contained in section 2.03 of the First Mortgage and to that contained in section 2.03 of the Second Mortgage, and the Trustees shall have no right to receive any title insurance

proceeds unless and until the indebtedness secured by the First Mortgage and the Second Mortgage has been paid in full. All proceeds received by the Trustees for any loss under the title insurance policies with respect to the Trust Estate to be delivered to the Trustees at the initial closing under the Financing Agreement, or under any title insurance policy delivered to the Trustees in substitution therefor and in replacement thereof, or under any title insurance policy required to be delivered to the Trustees under this Mortgage, shall be held, and all proceeds payable to either Mortgagor under any title insurance policy naming as the party insured, or inuring to the benefit of, either Mortgagor shall be paid over to the Trustees and shall be held by the Trustees as part of the Trust Estate.

2.04. Recordation, etc. The Company will at all times cause this Mortgage (which shall also constitute within the meaning of the Uniform Commercial Code a security agreement with respect to, and shall grant to the Trustees a security interest in, the personal property (tangible and intangible, and including fixtures to the extent they are personal property), and interests therein included in the Property), any mortgages or other instruments supplemental hereto, and any financing statements with respect to the Property and appropriate continuation statements with respect to such financing statements, to be recorded, registered and filed and to be kept recorded, registered and filed in such manner and in such places, and will pay all such recording, registration, filing or other taxes, fees and other charges, and will comply, and will cause the other Mortgagor to comply, with all such statutes and regulations, as may be required by law in order to establish, preserve and protect (a) the lien of this Mortgage on all real property, fixtures and interests therein included in the Property and the security interest created by this Mortgage in all personal property (tangible and intangible, and including fixtures to the extent they are personal property), and interests therein included in the Property (including in each such case, without limitation, any such properties acquired after the execution hereof) and (b) the rights of the Trustees and of the Beneficiaries hereunder, provided that this Mortgage shall be subject and subordinate to the First Mortgage and the Second Mortgage and shall rank as a third lien thereafter. Promptly after the execution and delivery

hereof and within 90 days after the end of each calendar year thereafter, and promptly upon request by the Trustees or any Beneficiary, the Company at its expense will furnish to the Trustees or such Beneficiary an opinion, satisfactory in scope and form to the Trustees, of counsel satisfactory to the Trustees, stating that the Company has taken all action then or theretofore required by this section 2.04, setting forth the particulars of all such action not set forth in an opinion previously furnished pursuant to this section 2.04 and specifying the particulars of all action required by this subsection 2.04 during the period from the date of such opinion to and including the 90th day after the end of the then current calendar year.

2.05. After-Acquired Property. All property of every kind acquired by Mortgagors after the date hereof, which by the terms hereof is required or intended to be subjected to the lien of this Mortgage, shall, immediately upon the acquisition thereof by such Mortgagor, and without further mortgage, conveyance or assignment, become subject to the lien of this Mortgage as fully as though now owned by such Mortgagor and specifically described herein. Nevertheless, such Mortgagor will do, execute, acknowledge and deliver such further acts, conveyances, mortgages and assurances as the Trustees shall reasonably require for accomplishing the purposes of this section 2.05.

2.06. Alterations and Additions. Unless and until a Default shall have occurred and be continuing, and subject to the limitations upon capital expenditure contained in subsection 8.15 of the Financing Agreement, Mortgagors, at their expense, may from time to time make reasonable improvements to, alterations of and additions to the Property or any part thereof (in the case of any alteration or addition the estimated cost of which exceeds \$500,000, after prior written notice to each Beneficiary), provided that any such alteration or addition shall (a) not change the general character or impair the usefulness of the Property or reduce the fair market value thereof below its value immediately prior to such alteration or addition, (b) be effected with due diligence in a good and workmanlike manner and in compliance with all Legal Requirements and Insurance Requirements and (c) be promptly and fully paid for so that the Property shall at all times be free of liens for labor and materials supplied or

claimed to be supplied, other than any lien or right thereto under a contract pursuant to which payment is not yet due (but only if such contract does not postpone payment for more than 60 days after completion of the work in question or for such other period as is customary in such contracts). All alterations of and additions to the Property shall immediately become subject to the lien of this Mortgage without further action on the part of Mortgagors.

2.07. Maintenance of Property; Use. Mortgagors at their expense will keep, or cause to be kept, the Property in good order and condition (with the exception of ordinary wear and tear) and make all necessary or appropriate repairs, replacements and renewals thereof, interior, exterior, structural and non-structural, ordinary and extraordinary, and foreseen and unforeseen. All repairs, replacements and renewals shall be equal in quality and class to the original work. Neither Mortgagor will do or permit any act or thing which might impair the value or usefulness of the Property or any part thereof, commit or permit any waste of the Property or any part thereof, or permit any unlawful occupation, business or trade to be conducted on the Property or any part thereof.

2.08. Performance of Leases; Amendment, Waiver, etc. Mortgagors will punctually perform and comply with all the terms and conditions of the (a) Olin Lease, (b) the Onondaga County Industrial Development Revenue Bond Sublease Agreement, dated as of December 14, 1979, between Allied and Chemicals-New York, (c) the Onondaga County Pollution Control Revenue Bond Sublease Agreement, dated as of December 14, 1979, between Allied and Chemicals-New York and (d) the Railroad Equipment Sublease and Agreement to Convey, dated as of December 14, 1979, between Allied and LCP Transportation, required to be performed and complied with by them to the same extent as if all terms of such leases were set forth herein in full and as if the obligations of Mortgagors thereunder were made the obligations of Mortgagors hereunder. Mortgagors represent that neither of them is in default in the performance of any of its obligations under such leases and no condition or event exists or has occurred thereunder that would give any party thereto the right to cancel, terminate or surrender any such lease. Neither Mortgagor shall, without the prior written consent of the Trustees, (a) cancel,

terminate, or surrender any such lease before its stated term, or consent to or accept any such cancellation, termination or surrender thereof or permit any event which would terminate or cancel the same, (b) amend or modify any such lease, or (c) give any consent, waiver or approval under any such lease or take any action in connection therewith which would have the effect of impairing the value, position or interests of the Trustees or any Beneficiary.

2.09. Removal and Disposal of Property. Without the prior written consent of the Trustees, Mortgagors will not and will not permit any other Person to abandon, scrap, salvage, remove, sell or otherwise dispose of any of the Property, provided that, subject to the limitations contained in subsection 8.8 of the Financing Agreement, either Mortgagor may, if no Default at the time exists, remove and sell or otherwise dispose of, free of any right or claim of the Trustees, any Improvements or Equipment owned by it which has become worn out or obsolete and which has been replaced by other Improvements or Equipment subject to the lien of this Mortgage, having a utility and value at least equal to that, at the time of removal, of the Improvements or Equipment so removed, provided, further, that neither Mortgagor need replace any Improvement or item of Equipment pursuant to the foregoing proviso if the aggregate cost (less depreciation) or fair market value, whichever is higher, of such Improvement or item of Equipment and of any other Improvements or Equipment previously abandoned, scrapped, salvaged, removed, sold or otherwise disposed of during the then current fiscal year of such Mortgagor which has not been replaced in reliance upon this further proviso does not exceed \$250,000.

2.10. Utility Services. The Mortgagors will pay or cause to be paid all charges for all public or private utility services and all sprinkler systems and protective services at any time rendered to or in connection with the Property or any part thereof, will comply with all contracts relating to such services, and will do all other things required for the maintenance and continuance of all such services.

2.11. No Claims Against Trustees, etc. Nothing contained in this Mortgage shall constitute any consent or

request by the Trustees or any Beneficiary, express or implied, for the performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof, or be construed to give Mortgagors any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any materials or other property in such fashion as would permit the making of any claim against the Trustees or any Beneficiary in respect thereof or any claim that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to the lien of this Mortgage.

2.12. Payment of Impositions, etc. Subject to section 2.15 relating to permitted contests, the Mortgagors shall pay or cause to be paid all Impositions before the same shall become delinquent and before any fine, penalty, interest or cost for non-payment may be added, and will furnish to the Trustees, upon request, official receipts or other satisfactory proof evidencing such payments. The Company shall not be entitled to any credit against the principal of or interest on any Secured Indebtedness, or any other sums which may become payable under the terms thereof or hereof, by reasons of any tax or other Imposition on the Property or any part thereof, and no deduction shall be made from the taxable value of the Property or any part thereof by reason of this Mortgage.

2.13. Compliance with Laws, etc. Subject to section 2.15 relating to permitted contests, Mortgagors at their expense will promptly comply with all Legal Requirements and Insurance Requirements, whether or not compliance therewith shall require structural changes in the Improvements or the Equipment or interfere with the use and enjoyment of the Property, and will procure, maintain and comply with all permits, licenses and other authorizations required for any use of the Property or any part thereof then being made or for the manufacture and production of any inventory, chemicals or other goods then produced in the ordinary course of the Mortgagors' business, and for the proper erection, installation, operation and maintenance of the Improvements and the Equipment or any part of either thereof, and will comply, or cause to be complied, with any instruments of record affecting the Property or any part thereof at the time in force.

2.14. Liens, etc. Subject to section 2.15 relating to permitted contests, Mortgagors will not directly or indirectly create or permit or suffer to be created or to remain, and will discharge, or promptly cause to be discharged, any mortgage, lien, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to the Property or any part thereof, other than (a) this Mortgage, (b) the First Mortgage and the Second Mortgage and (c) Permitted Exceptions. Mortgagors represent and warrant that no Permitted Exception substantially interferes, or will hereafter substantially interfere, with the use of the Property determined as of the date hereof.

2.15. Permitted Contests. Mortgagors at their expense may contest, by appropriate legal proceedings conducted in good faith and with due diligence, the amount or validity or application, in whole or in part, of any Imposition or lien therefor or any Legal Requirement or Insurance Requirement or the application of any instrument of record referred to in section 2.13 or any lien or charge referred to in section 2.14, provided that (a) in the case of an unpaid Imposition or lien therefor, or other lien, such proceedings shall suspend the collection thereof from Mortgagors, the Property, the Trustees and any Beneficiary, (b) neither the Property nor any part thereof or interest therein would be in any danger of being sold, forfeited or lost prior to the determination of such proceedings, (c) in the case of a Legal Requirement, neither Mortgagors nor the Trustees nor any Beneficiary would be in any danger of any additional civil or any criminal liability for failure to comply therewith, (d) in the case of any lien or charge referred to in section 2.14, the same shall not have been created by the voluntary affirmative act of either Mortgagor, and (e) Mortgagors shall have furnished such security, if any, as may be required in the proceedings or reasonably requested by the Trustees or any Beneficiary. The Company shall give prompt written notice to the Trustees and each Beneficiary of the commencement of any contest referred to in the preceding sentence.

2.16. Certificates as to No Default, etc., Information; Inspection. Each Mortgagor shall deliver to the Trustees and each Beneficiary, within 90 days after the end of each fiscal year and promptly upon request by the Trustees or any such Beneficiary, Officer's Certificates

stating that there is no condition or event which constitutes a Default or an Event of Default, or, if any such condition or event exists, specifying the nature and period of existence thereof and what action Mortgagors are taking or propose to take with respect thereto. The Company, from time to time and promptly upon request of the Trustees or any Beneficiary, will furnish or cause to be furnished to such requesting Trustees or Beneficiary information with respect to the Property. Each Mortgagor will at all reasonable times and from time to time permit any representatives designated in writing by the Trustees to inspect the Property or any part thereof and to inspect and make extracts from its books and other records.

### SECTION 3. INSURANCE, TAKING, ETC.

3.01. Indemnification. Mortgagors shall, jointly and severally, protect, indemnify, save and hold harmless the Trustees and the Beneficiaries and each of them from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) imposed upon or incurred by or asserted against the Trustees or any Beneficiary by reason of (a) ownership of any interest in the Property, (b) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Property or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (c) any use, non-use or condition of the Property or any part thereof, or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (d) any failure on the part of Mortgagors to perform or comply with any of the terms hereof, (e) any necessity to defend any of the rights, title or interest conveyed or created by this Mortgage, or (f) the performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof. In case any action, suit or proceeding is brought against the Trustees or any Beneficiary by reason of such occurrence, the Company, upon request of the Trustees or such Beneficiary, will at the Company's expense, cause such action, suit or proceeding to be resisted and defended by counsel designated by the Beneficiaries and approved by the Company (which approval shall not be unreasonably withheld). Any amounts payable

to the Trustees or any Beneficiary under this section 3.01 which are not paid within 10 days after written demand therefor shall bear interest at a rate per annum equal to 3-1/2% above the MHTC Rate (as defined in the Financing Agreement) from the date of such demand, and such amounts, together with such interest, shall be indebtedness secured by this Mortgage to the same extent as the Secured Indebtedness is secured by this Mortgage. The obligations of the Company under this section shall survive any discharge of this Mortgage.

3.02. Insurance. 3.02.1. Risks to be Insured.

Mortgagors, at their expense, shall maintain or cause to be maintained with financially sound and reputable insurers of recognized national standing; (a) insurance with respect to the Improvements, Equipment and inventory located upon the Lands against loss or damage by fire, lightning and other risks from time to time included under "extended coverage" policies, with provision for deductible amounts described in the certificates of insurers or insurance policies delivered to the Trustees pursuant to subsection 3.02.4, but in amounts sufficient to prevent the Trustees, any Beneficiary and any Mortgagor from becoming a co-insurer of any partial loss under the applicable policies, and in any event in amounts not less than the full insurable value (actual replacement value less actual physical depreciation) of the Improvements, Equipment and inventory located upon the Lands which, if requested by the Trustees (which requests shall not be made more than once in any one year period) shall be as determined by the insurer or insurers or by an expert selected by the First Mortgagees or, if the First Mortgage shall have been satisfied, by the Second Mortgagees or, if the Second Mortgage shall have been satisfied by the Trustees; (b) general public liability insurance against claims for bodily injury or death or persons and damage to or destruction of property occurring on or about the Property and the adjoining streets, sidewalks and ways, or arising out of the possession, condition, operation or use of the Property, in such amounts as are usually carried by persons operating similar properties in the same general locality but in any event with limits of not less than \$5,000,000 aggregate liability per annum for the operations of the Mortgagors; (c) explosion insurance in respect of any steam, pressure boilers, storage vessels, and similar apparatus located at or in any plant or manufacturing facility of either

Mortgagor in amounts customarily obtained by comparable companies in similar businesses; (d) war risk insurance to the extent obtainable from the United States Government or any agency thereof; (e) appropriate worker's compensation insurance in respect of any work on or about the Property; (f) sprinkler or leakage insurance in an amount at least equal to 10% of the insurable value of all Equipment, Improvements and inventory with respect to any sprinkler system which is or may be installed in the Equipment or Improvements; (g) such other insurance with respect to the Property as is customarily obtained by comparable companies in similar businesses; and (h) such other insurance with respect to the Property in such amounts and with respect to such insurable hazards as the Trustees from time to time may reasonably require by written notice to the Company.

3.02.2. Policy Provisions. All insurance maintained pursuant to subsection 3.02.1 shall (a) name, except in the case of worker's compensation insurance, the First Mortgagees, the Second Mortgagees and the Trustees, as insureds as their interests may appear under the First Mortgage, the Second Mortgage and this Mortgage; (b) provide, except in the case of public liability insurance and worker's compensation insurance, that all insurance proceeds shall be adjusted by the Company (subject to the approval of the First Mortgagees, the Second Mortgagees and the Trustees) and be payable solely to the First Mortgagees, or, if the First Mortgage shall have been satisfied, then solely to the Second Mortgagees, or, if both the First Mortgage and the Second Mortgage shall have been satisfied, then to the Trustees, by means of a standard New York Mortgagee's loss payable or equivalent endorsement to be held in trust and to be paid as provided in section 3.05 of the First Mortgage, or, if the First Mortgage shall have been satisfied, section 3.05 of the Second Mortgage, or, if the Second Mortgage shall have been satisfied, of this Mortgage, provided that any insurance proceeds for any loss of less than \$300,000 may be adjusted with and payable to the Company alone; (c) include effective waivers by the insurer of all claims for insurance premiums against the Trustees and each Beneficiary; (d) provide, to the extent obtainable, that any losses shall be payable notwithstanding (i) any act or failure to act or negligence of Mortgagors or any other person, (ii) the occupation or use of the Property for purposes more hazardous than permitted by the terms of the

policy, (iii) any foreclosure or other proceedings or notice of sale to the Property, (iv) any change or increase in the interest of the Trustees or any Beneficiary, or (v) any change in the title or ownership of the Property; and (e) provide that no cancellation thereof shall be effective until at least 30 days after receipt of a written notice to such effect by the Trustees.

3.02.3. Period of Default. If a Default shall have occurred and be continuing, full power is hereby conferred on the Trustees to adjust, settle and compromise all claims under all insurance policies for any loss of more than \$100,000; to determine, receive and receipt for all monies becoming payable thereunder; and to assign all such policies to any or all of the Beneficiaries or to the grantee of any of the Property insured in the event of foreclosure or sale pursuant to subsection 4.04 of this Mortgage, or any other transfer of title to such Property in extinguishment of the indebtedness secured by this Mortgage or any portion thereof, provided that if any of the indebtedness secured by the First Mortgage or by the Second Mortgage shall remain unpaid, then the Trustees shall take no action pursuant to this section 3.02.3 without the prior written consent of the First Mortgagees, the Second Mortgagees or, if the First Mortgage and the Second Mortgage are both at the time outstanding, both.

3.02.4. Delivery of Policies; Insurance Certificate. The Company will deliver or cause to be delivered to the First Mortgagees, or, if all the First Mortgage has been satisfied, the Second Mortgagees, or if the First Mortgage and the Second Mortgage have been satisfied, the Trustees, (a) promptly upon the execution and delivery of this Mortgage, certificates of the insurers as to the existence of all insurance policies, or in lieu of such certificates, if requested by the First Mortgagees, or, if the First Mortgage has been satisfied, if requested by the Second Mortgagees, or, if the First Mortgage and the Second Mortgage have been satisfied, if requested by the Trustees, the originals of all such insurance policies (except blanket policies), with respect to the Property which are required to be maintained pursuant to this section, together with an Officer's Certificate containing the information set forth in clause (c) of this section 3.02.4, (b) at least 20 days prior to the expiration of any such policies, evidence as to the renewal thereof and the

payment of all premiums then due with respect thereto, and (c) within 90 days after the end of each calendar year and promptly upon request by the Trustees, an Officer's Certificate of the Company setting forth the particulars as to all such insurance policies and certifying that such insurance is in full force and effect and complies with the requirements of this section, and that all premiums due thereon have been paid; and the Trustees may rely exclusively on such Officer's Certificate as to the matters set forth therein, notwithstanding their receipt of such certificates of insurers or policies. In the event either Mortgagor shall fail to effect or maintain any insurance required to be effected or maintained pursuant to the provisions of this section 3.02, the Company and the other Mortgagor will fully indemnify the Trustees and each Beneficiary against damage, loss or liability resulting from all risks for which such insurance should have been effected or maintained, and all costs payable hereunder shall constitute additional indebtedness secured by this Mortgage.

3.03. Destruction of Property. 3.03.1.

Mortgagor to Give Notice. In case of any Destruction in the amount of \$100,000 or more, the Company or the Mortgagor which is the owner of such Property will promptly give written notice thereof to the Trustees and each Beneficiary, generally describing the nature and extent of such Destruction.

3.03.2. Restoration. In case of any Destruction other than a Total Destruction (a "Partial Destruction"), the Company or the Mortgagor which is the owner of such Property will, at its expense, whether or not the insurance proceeds, if any, on account of such Destruction shall be sufficient for the purpose, promptly commence and complete, or cause to be commenced and completed (subject to Unavoidable Delays), Restoration of the Property as nearly as possible to its value, condition and character immediately prior to such Destruction, with such alterations and additions as may be made at the Company's or such Mortgagor's election pursuant to and subject to the conditions of section 2.06.

3.03.3. Total Destruction. In case of a Destruction of all or substantially all of the Improvements and Equipment included in the Property, or of all or

substantially all of the Improvements and Equipment included in any plant owned or leased by either Mortgagor so that, in the good faith judgment of the Board of Directors of the Company, Restoration of such Improvements and Equipment is either not economically feasible or not permitted by law, such Mortgagor may elect, by written notice to the Trustees and each Beneficiary given within 90 days of such Destruction, not to effect Restoration. Any Destruction of the Improvements and the Equipment included in the Property referred to above in this section as to which such notice of election is given is herein called a "Total Destruction".

#### 3.03.4. Application of Net Insurance Proceeds.

In the event of any Destruction, the Company will, subject to the proviso to clause (b) of section 3.02.2, cause all Net Insurance Proceeds to be paid over to the First Mortgagees to be applied or dealt with by such First Mortgagees in accordance with section 3.05 of the First Mortgage, unless the same shall have been satisfied, in which case to the Second Mortgagees to be applied or dealt with by such Second Mortgagees in accordance with section 3.05 of the Second Mortgage, unless the First Mortgage and the Second Mortgage shall have been satisfied, in which case to the Trustees to be applied or dealt with by such Trustees in accordance with section 3.05. If at the time of any Total Destruction any policy or policies as required by section 3.02 are not in effect, the Company will, not less than 30 days after such Total Destruction, pay to the First Mortgagees, to the extent the indebtedness secured by the First Mortgage remains unpaid, and pay any excess thereof to the Second Mortgagees, to the extent the indebtedness secured by the Second Mortgage remains unpaid, the Trustees such amount as would have been payable as Net Insurance Proceeds if such policy or policies had been in effect at such time, and the remainder shall be paid to the Trustees.

3.04. Taking of Property. 3.04.1. Mortgagor to Give Notice; Assignment of Awards, etc. In case of a Taking of all or any part of the Property, or the commencement of any proceedings or negotiations which might result in such a Taking, the Company or the Mortgagor which is the owner of such Property will promptly give written notice thereof to the Trustees and each Beneficiary, generally describing the nature and extent of such Taking

or the nature of such proceedings or negotiations and the nature and extent of the Taking which might result therefrom, as the case may be. Each Mortgagor hereby irrevocably assigns, transfers and sets over to the Trustees all rights of such Mortgagor to any award or payment on account of any Taking, provided that such assignment is subject to a prior assignment of such rights to the First Mortgagees and to their right to collect, receive and apply any such award or payment in accordance with the terms of the First Mortgage, and is also subject to a prior assignment of such rights to the Second Mortgagees and to their right to collect, receive and apply any such award or payment in accordance with the terms of the Second Mortgage. The appropriate Mortgagor will in good faith and with due diligence file and prosecute what would otherwise be such Mortgagor's claim for any such award or payment and cause the same to be collected and paid over to the First Mortgagees, Second Mortgagees or the Trustees, as the case may be, and will irrevocably authorize and empower such Mortgagees or the Trustees, as the case may be, in the name of such Mortgagor or otherwise, to collect and to receipt for any such award or payment, and, in the event such Mortgagor fails so to act or is otherwise in default hereunder, to file and prosecute such claim. The appropriate Mortgagor will pay all costs, fees and expenses reasonably incurred by the First Mortgagees, Second Mortgagees or the Trustees, as the case may be, in connection with any Taking and seeking and obtaining any award or payment on account thereof.

3.04.2. Partial Taking. In case of a Taking of the Property other than a Total Taking (a "Partial Taking"), the Company or the Mortgagor which is the owner of the portion of the Property so taken shall, at its expense, whether or not the awards or payments, if any, on account of such Taking shall be sufficient for the purpose, promptly commence and complete, or cause to be commenced and completed (subject to Unavoidable Delays), Restoration of the Property, except to the extent made impossible by any reduction in area caused by such Taking, provided that in case of a Taking for temporary use the Company or the Mortgagor which is the owner of the portion of the Property so taken shall not be required to effect Restoration until such Taking is terminated.

3.04.3. Total Taking. In case of the Taking of the entire Property or of that portion of the Property consisting of an entire plant owned or leased by either Mortgagor (other than for temporary use) or of such a substantial part of the Property or any such plant that, in the good faith judgment of the Board of Directors of the Company, either (a) the portion of the Property or such plant remaining after such Taking (and after Restoration) is unsuitable for use by the Company or the Mortgagor which is the owner of the Property in the operation of its business, or (b) Restoration of such portion of the Property or such plant is either not economically feasible or not permitted by law, the Company or such Mortgagor may elect, by written notice to the Trustees given within 90 days after such Taking, not to effect Restoration. Any Taking of the Property of the character referred to above in this section as to which such notice of election is given is herein called a "Total Taking".

3.04.4. Application of Net Awards, etc. In the event of any Taking, the Company or the Mortgagor which is the owner of the Property so taken will cause all Net Awards to be paid over to the First Mortgagees to be applied or dealt with by such First Mortgagees in accordance with section 3.05 of the First Mortgage, unless the same shall have been satisfied, in which case all Net Awards shall be paid over to the Second Mortgagees to be applied or dealt with by such Second Mortgagees in accordance with section 3.05 of the Second Mortgage, unless both the First Mortgage and the Second Mortgage shall have been satisfied, in which case all Net Awards shall be paid over to the Trustees to be applied or dealt with by such Trustees in accordance with section 3.05 hereof.

3.05. Application of Moneys by Trustees. All moneys received by the Trustees on account of a Destruction or a Taking shall be applied as follows:

(a) All Net Insurance Proceeds received by the Trustees on account of a Total Destruction, and all payments in lieu of such Net Insurance Proceeds received by the Trustees, and all Net Awards received by the Trustees on account of a Total Taking, shall be applied to the prepayment of the Notes as provided in subsection 2.4(b), of the Financing Agreement, and the balance, if any, of such Net Insurance Proceeds (or

payments in lieu thereof) or Net Awards shall be paid over to the Company or as it may direct, provided that, if any Event of Default shall have occurred and be continuing, such amounts shall be applied in accordance with the priorities set forth in section 4.11. The aggregate amount of Net Insurance Proceeds (or amounts in lieu thereof) or Net Awards to be applied to the prepayment of the Notes shall be applied ratably among the holders of the Notes who have requested prepayment as follows: first to the payment of interest accrued on the principal amount of the Notes to be prepaid and second to the prepayment of such principal amounts.

(b) All Net Insurance Proceeds received by the Trustees on account of any Partial Destruction and Net Awards received on account of any Partial Taking shall be applied as follows:

(i) any such Net Insurance Proceeds or Net Awards (except Net Awards received on account of a Taking for temporary use) shall, unless a Default exists, be paid over to the Company or the Mortgagor which is the owner of the portion of the Property that is the object of such Destruction or Taking or as it may direct from time to time as Restoration progresses to pay the cost of Restoration (in the case of a Partial Taking, of the portion of the Property remaining after such Taking), but only upon the written request of the Company, accompanied by an Officer's Certificate (which, if the Restoration involves expenditures in excess of \$500,000, shall also be co-signed by an architect or engineer in charge of the Restoration) or other appropriate evidence satisfactory to the Trustees that (x) the sum requested has been paid or is then due and payable and is a proper item of such cost, (y) specifying the additional amount, if any, required for the completion of the Restoration, and (z) stating that no Default has occurred and is continuing, provided that no payment pursuant to this subparagraph (i) shall be made if, after giving effect to such payment, the balance of the Net Insurance Proceeds in respect of such Destruction or Taking then held

by the Trustees shall be less than the original amount required to complete the Restoration specified in such Officer's Certificate; and upon the written request of the Company, accompanied by an Officer's Certificate or other appropriate evidence satisfactory to the Trustees that Restoration has been completed and the cost thereof paid in full and that there are no mechanics' or similar liens for labor or materials supplied in connection therewith, the balance, if any, of such proceeds shall, unless a Default exists, be paid over or assigned to the Company or as it may direct;

(ii) in case of a Taking for temporary use, any such Net Awards shall, unless a Default exists, be held and applied, for the account of the Company, to the payment of installments of principal and interest becoming due on the Notes during the period of temporary use, all such payments to be applied ratably among the holders of the Notes entitled thereto; and upon the written request of the Company, accompanied by an Officer's Certificate or other appropriate evidence satisfactory to the Trustees that such Taking has terminated, the balance, if any, of such proceeds shall, unless a Default exists, be paid over or assigned to the Company or the Mortgagor which is the owner of the Property or as it may direct, provided that if any Net Awards are made by reason of any Destruction during such Taking for temporary use, such portion shall be held and applied as provided in subparagraph (i) above after such Taking is terminated; and

(iii) if a Default exists, such Net Insurance Proceeds or Net Awards shall be held by the Trustee as part of the Trust Estate until either (x) all Defaults shall have been cured, whereupon such Net Insurance Proceeds or Net Awards shall be applied as provided in subparagraph (i) or (ii) above, as the case may be, or (y) an Event of Default shall have occurred and be continuing, whereupon such Net Insurance Proceeds or Net Awards shall be applied in accordance with the priorities set forth in section 4.11 hereof.

3.06. Release of Insurance Proceeds. In the event the First Mortgagees and the Second Mortgagees shall release, for the purpose of maintenance, repair, rebuilding or restoration of any improvements on the Property, their right to any proceeds under policies of insurance thereon or to any awards or other compensation made for any damages or losses by reason of a taking by condemnation or eminent domain of the Property or any portion thereof, the Trustees shall likewise for such purpose release their right, if any, in and to all such proceeds or awards released by the First Mortgagees and the Second Mortgagees.

#### SECTION 4. EVENTS OF DEFAULT, REMEDIES, ETC.

4.01. Events of Default. It shall be an Event of Default under this Mortgage if one or more of the following events ("Events of Default") shall occur.

(a) if an "Event of Default", as defined in the Financing Agreement, the First Mortgage or the Second Mortgage shall occur; or

(b) if either Mortgagor shall default in the performance of or compliance with any term herein and such default shall not have been remedied within 30 days after written notice thereof from the Trustees or any Beneficiary specifying such default and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder.

4.02. Enforcement, etc. If an Event of Default shall have occurred and be continuing, then and in any and each such event the aggregate sum owing to the Beneficiaries secured by this Mortgage shall, upon the written instruction of the Beneficiaries to the Trustees, be declared by the Trustees to be due and payable immediately as fully and completely as if originally stipulated then to be paid, and the Trustees or any Beneficiary may proceed to protect and enforce their or its respective rights by an action at law, suit in equity or other appropriate procedure, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law. The Trustees may proceed to enforce the

lien of this Mortgage against the entire Trust Estate, notwithstanding that the Event of Default is attributable to a condition existing with respect to only a portion of the Trust Estate.

4.03. Foreclosure. If an Event of Default shall have occurred and be continuing, the Trustees at any time, at their election, may proceed at law or in equity or under the power of sale herein or otherwise to foreclose the lien of this Mortgage as against all or any part of the Trust Estate, either by strict foreclosure or such other method as may be authorized by applicable law at the time in effect.

4.04. Power of Sale. 4.04.1. In General. If an Event of Default shall have occurred and be continuing, the Trustees may sell, assign, transfer and deliver the whole or, from time to time, any part of the Trust Estate, or any interest in any part thereof, except any part of the Trust Estate situated in the State of Georgia, or any interest in any part thereof, at any private sale, or at public sale or auction, without demand, advertisement or notice of the time or place of sale or adjournment thereof or otherwise, except as required by law, for cash and for immediate or future delivery on such terms as the Trustees, in their discretion, may determine, all, however, subject to and in accordance with the requirements of applicable law at the time in effect.

4.04.2. Georgia Property. If an Event of Default shall have occurred and be continuing, the Trustees, at their option, may sell that portion of the Property or any part thereof situated in the State of Georgia at one or more public sale or sales before the door of the courthouse of the county in which the Lands or any part of the Lands are situated, to the highest bidder for cash, in order to pay the Secured Indebtedness, and all expenses of sale and of all proceedings in connection therewith, including reasonable attorneys' fees, after advertising the time, place and terms of sale once a week for four weeks immediately preceding such sale (but without regard to the number of days) in a newspaper in which Sheriff's sales are advertised in said county. At any such public sale, the Trustees may execute and deliver to the purchaser a conveyance of the affected portion of the Property in fee simple with full warranties of title, and to this end

Grantors hereby constitute and appoint the Trustees the agent and attorney-in-fact of Grantors to make such sale and conveyance, and thereto to divest Grantors of all right, title and equity that Grantor may have in and to the Property and to vest the same in the purchaser or purchasers at such sale or sales, and all other 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 the facts essential to a valid sale shall be binding upon Grantors. The aforesaid powers 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 Secured Indebtedness and shall not be exhausted by one exercise thereof but may be exercised until full payment of all of the Secured Indebtedness. In the event of any sale under this Deed by virtue of the exercise of the powers herein granted, or pursuant to any order in any judicial proceeding or otherwise, the Property situated in the State of Georgia may be sold as an entirety or in separate parcels and in such manner or order as the Trustees in their sole discretion may elect, and one or more exercises of the powers herein granted shall not extinguish nor exhaust such powers, until the entire Property situated in the State of Georgia is sold or the Secured Indebtedness is paid in full. If the Secured Indebtedness is now or hereafter further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security instruments, the Trustees may at their option exhaust the remedies granted under any of said security instruments either concurrently or independently, and in such order as the Trustees may determine.

4.05. Remedies under Uniform Commercial Code. If an Event of Default shall have occurred and be continuing, the Trustees may, with respect to any of the Property constituting personal property or other property subject to the Uniform Commercial Code in any jurisdiction, exercise any or all of the rights and remedies available to it under the Uniform Commercial Code in such jurisdiction, without limitation of any other rights or remedies granted hereby or by law. It is agreed that 15 days' notice to the Company of the date, time and place of any proposed sale by the Trustees of any such property is reasonable.

#### 4.06. Trustees Authorized to Execute Deeds, etc.

Each Mortgagor hereby irrevocably appoints the Trustees its true and lawful attorneys, with full power of substitution, and with full power to act in its name and on its behalf, for the purpose of effectuating the enforcement of this Mortgage and any right, power and remedy provided for herein or by law, including, without limitation, to sign and file or record on behalf of either Mortgagor any financing or other statements in order to perfect or protect the Trustees' security interest hereunder or the lien of this Mortgage on any Property, to execute and deliver all such other certificates, deeds, bills of sale, assignments and other instruments in respect of the Property as the Trustees may consider necessary or appropriate, such Mortgagor hereby ratifying and confirming all that such attorney or any substitute shall lawfully do by virtue hereof. Nevertheless, if so requested by the Trustees or any purchaser, each Mortgagor shall ratify and confirm any such action, including, without limitation, any sale, assignment, transfer or delivery by executing and delivering to the Trustees or to any purchaser, assignee or transferee of any Property, all proper certificates, deeds, bills of sale, assignments, endorsements, releases and other instruments as may be designated in any such request.

#### 4.07. Purchase of the Property by Beneficiaries.

Any Beneficiary may be a purchaser of the Property or of any part thereof or of any interest therein at any sale thereof, pursuant to the exercise of any remedies provided in this Mortgage or by law, and may apply upon the purchase price the indebtedness secured hereby owing to such purchaser to the extent of such purchaser's distributive share, if any, of the purchase price. Any such purchaser shall, upon any such purchase, acquire good title to the properties so purchased, free of the lien of this Mortgage and free of all rights of redemption in the Mortgagors.

#### 4.08. Receipt a Sufficient Discharge to Purchaser.

Upon any sale of the Property or any part thereof or any interest therein, pursuant to the exercise of any remedies provided in this Mortgage or by law, the receipt of the officer making the sale under judicial proceedings or of the Trustees shall be sufficient discharge to the purchaser for the purchase money, and such purchaser shall not be obliged to see to the application thereof.

4.09. Waiver of Appraisalment, Valuation, etc.

The Mortgagors do hereby waive, to the full extent they may lawfully do so, the benefit of all appraisalment, valuation, stay, extension and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale of the Property or any part thereof or any interest therein hereunder.

4.10. Sale a Bar Against Mortgagors. Any sale of

the Property or any part thereof or any interest therein, pursuant to the exercise of any remedies provided in this Mortgage or by law, shall forever be a perpetual bar against the Mortgagors.

4.11. Application of Proceeds. If an Event of

Default shall have occurred and be continuing, any moneys (including, without limitation, the proceeds of any sale of the Property or any part thereof or any interest therein, pursuant to the exercise of any remedies provided in this Mortgage or by law, and any insurance proceeds (including title insurance proceeds) and condemnation awards and payments) at the time held by the Trustees hereunder, such moneys shall be applied to pay:

First: all costs incurred by the Trustees in the collection thereof (including, without limitation, reasonable attorneys' fees and expenses);

*and all Trustees fees, expenses and commissions to receive*

Second: at the Trustees' election, any other indebtedness secured by this Mortgage and at the time due and payable (including, without limitation, all payments, costs, fees, expenses and interest referred to in section 4.16 and costs incurred by the Beneficiaries in the collection of any moneys held by the Trustees to which the Beneficiaries are entitled under this Mortgage), other than indebtedness with respect to the Secured Indebtedness at the time outstanding;

Third: all amounts of principal and interest at the time due and payable on the Notes at the time outstanding (whether due at maturity or as an installment of principal or interest or by prepayment or declaration or otherwise), including interest on any overdue principal and (to the extent permitted under applicable law) on any overdue interest, at a

rate per annum equal to 3-1/2% above the MHTC Rate (as defined in the Financing Agreement); and in case such moneys shall be insufficient to pay in full the amounts so due and unpaid on all the Notes then first, all amounts of interest at the time due and payable on the Notes, and second, all amounts of principal at the time due and payable on the Notes, and all such payments shall be made by the Trustees ratably among the holders of the Notes entitled thereto;

Fourth: the balance, if any, to whomsoever may be lawfully entitled thereto.

4.12. Appointment of Receiver. If an Event of Default shall have occurred and be continuing, the Trustees shall, as a matter of right, to the extent permitted by applicable law, be entitled to the appointment of a receiver for all or any part of the Trust Estate, whether such receivership be incidental to a proposed sale of the Trust Estate or otherwise, and Mortgagors hereby consent to the appointment of such a receiver and covenant not to oppose any such appointment. Any receiver so appointed shall have such powers as may be conferred by the appointing authority, including any or all of the powers which the Trustees are authorized to exercise by this Mortgage, and shall have the right to incur such obligations and to issue such certificates therefor as the appointing authority shall authorize. Notwithstanding the appointment of any receiver, liquidator or trustee of Mortgagors or any of their respective properties or assets or of the Trust Estate or any part thereof, the Trustees shall be entitled to retain possession of and control of all property now or hereafter pledged with or held by the Trustee hereunder.

4.13. Possession, Management and Income; Assignment. If an Event of Default shall have occurred and be continuing, the Trustees, without further notice, may, to the extent permitted by applicable law, enter upon and take possession of the Trust Estate or any part thereof by force, summary proceedings, ejection or otherwise and may remove the Mortgagors and all other Persons and any and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, tolls, rents, issues, profits and proceeds accruing with respect thereto or any part thereof, and without limiting the generality of

the granting clauses or this section 4, the Mortgagors hereby (a) assign, transfer and set over to the Trustees all such sums due or to become due in respect of the Trust Estate or any part thereof, together with full power and authority in the name of the Trustees or Mortgagors or either of them or otherwise, to enforce, collect, receive or receipt for any and all of such sums and (b) irrevocably authorizes the Trustees to direct the payment thereof as the Trustees may from time to time direct. Neither the Trustees nor any Beneficiary shall be under any liability for or by reason of any such taking of possession, entry, removal or holding, operation or management, except that any amounts so received by the Trustees shall be applied to pay, first, all costs and expenses of so entering upon, taking possession of, holding, operating and managing the Trust Estate or any part thereof, and any taxes, assessments or other charges, prior to the lien of this Mortgage, which the Trustees may consider it necessary or desirable to pay and, second, in accordance with subparagraphs Second, Third and Fourth of section 4.11.

4.14. Trustees May Enforce Rights Without Notes. All rights or action under this Mortgage or under any of the Secured Indebtedness may be enforced by the Trustees without the possession of any of the Notes or the 1979 Notes and without the production thereof at any trial or other proceedings relative thereto. Any such suit or proceedings instituted by the Trustees shall be brought in their own names or as Trustees, and any recovery of judgment shall be subject to the rights of the Trustees, for the ratable benefit of all the Beneficiaries at the time outstanding.

4.15. Trustees May File Proofs of Claim. The Trustees are hereby irrevocably appointed (and the successive respective Beneficiaries, by taking and holding any part to the Secured Indebtedness, shall be conclusively deemed to have so appointed the Trustees) the true and lawful attorney-in-fact of the respective Beneficiaries with authority to make or file, irrespective of whether the Secured Indebtedness or any part of it is in default as to payment of principal or interest, in the respective names of the Beneficiaries, or on behalf of all Beneficiaries as a class, any proof of debt, amendment to proof of debt, petition or other document; to execute any other papers and documents and to do and perform any and all acts and things

for and on behalf of the respective Beneficiaries, or on behalf of all such Beneficiaries as a class, as may be necessary or advisable, in the opinion of the Trustees in order to have the respective claims of the Beneficiaries against either Mortgagor allowed in any equity receivership, insolvency, liquidation, bankruptcy, reorganization or other proceedings to which either Mortgagor shall be a party; and except to the extent that the Beneficiaries shall have filed individual claims in any such proceeding on their own behalf, to receive payment of or on account of such claim, and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by such Beneficiary to make such payments to the Trustees; provided, that in no case shall the Trustees have any right to accept or consent to any plan of reorganization on behalf of any Beneficiary or in any such proceeding to waive or change in any way any right of any such Beneficiary even though it may otherwise be entitled so to do under any present or future law, all such power or authorization being hereby expressly denied. The Trustees shall have full power of substitution and delegation in respect of any such powers.

4.16. Right of the Trustees to Perform Mortgagors' Covenants, etc. If either Mortgagor shall fail to make any payment or perform any act required to be made or performed hereunder, the Trustees, upon the written instruction of the Required Holders, without notice to or demand upon either Mortgagor and without waiving or releasing any obligation or default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of such Mortgagor, and may enter upon the Trust Estate or any part thereof for the purpose and take all such action thereon as, in the Trustees' opinion, may be necessary or appropriate therefor. All sums so paid by the Trustees and all costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) so incurred, together with interest thereon at a rate per annum equal to 3-1/2% above the MHTC Rate (as defined in the Financing Agreement) from the date of payment or incurrence, shall constitute additional indebtedness secured by this Mortgage and shall be paid by the Company to the Trustees on demand.

4.17. Remedies, etc., Cumulative. Each right, power and remedy of the Trustees and the Beneficiaries

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

4.18. Discontinuation of Proceedings. In case the Trustees shall have proceeded to enforce any right, power or remedy under this Mortgage by foreclosure, entry or otherwise or in the event the Trustees commence advertising of the intended exercise of the sale under power provided hereunder, and such proceeding or advertisement shall have been withdrawn, discontinued or abandoned for any reason, or shall have been determined adversely to the Trustees, then in every such case (a) Mortgagors and the Trustees shall be restored to their former positions and rights, (b) all rights, powers and remedies of the Trustees shall continue as if no such proceeding had been taken, (c) each and every Event of Default declared or occurring prior or subsequent to such withdrawal, discontinuance or abandonment shall be and shall be deemed to be a continuing Event of Default (unless a proceeding with respect to such Default shall have been determined adversely to the Trustees) and (d) neither this Mortgage nor any Secured Indebtedness nor any other instrument concerned therewith, shall be or shall be deemed to have been reinstated or otherwise affected by such withdrawal, discontinuance or abandonment; and Mortgagors hereby expressly waive the benefit of any statute or rule of law now provided, or which may hereafter be provided, which would produce a result contrary to or in conflict with the above.

4.19. Suits to Protect the Property. The Trustees shall have the power to institute and maintain such suits and proceedings as they may deem expedient (a) to prevent any impairment of the Property by any acts which may be unlawful or constitute a Default under this Mortgage, (b) to preserve or protect the interest of the

Beneficiaries in the Property and in the incomes, rents, issues, profits and revenues arising therefrom and (c) to restrain the enforcement of or compliance with any legislation or other government enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Beneficiaries.

4.20. Provisions Subject to Applicable Law. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid, illegal or unenforceable, the validity of other terms of this Mortgage shall in no way be affected thereby.

4.21. No Waiver, etc. No failure or delay by the Trustees or any Beneficiary to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term or of any such breach. No waiver of any breach shall affect or alter this Mortgage, which shall continue in full force and effect with respect to any other then existing or subsequent breach. No act or omission by the Trustees shall release, discharge, modify, change or otherwise affect the original liability under the Notes, the Financing Agreement, this Mortgage or any other obligation of the Mortgagors or any subsequent purchaser of the Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor, or preclude the Trustees from exercising any right, power or privilege herein granted or intended to be granted in the event of any Default then made or of any subsequent Default, or alter the security title, security interest or lien of this Mortgage except as expressly provided in an instrument or instruments executed by the Trustees pursuant to the prior instructions of the Beneficiaries as provided in subsection 5.01(e) of this Mortgage.

4.22. Powers Coupled with an Interest. In each instance contained in sections 4.01 to 4.21, inclusive, of this Mortgage whereby Mortgagors grant a power to the

Trustees to act in the name of Mortgagors, or on their behalf, such power shall be deemed to be coupled with an interest and irrevocable.

4.23. Subordination to First and Second Mortgage. In consideration of the consent of the holders of the indebtedness secured by the First Mortgage and by the Second Mortgage to the granting of this Mortgage, the Trustees hereby agree for the express benefit of the holders of the indebtedness secured by the First Mortgage and by the Second Mortgage that so long as any of the indebtedness secured by the First Mortgage or by the Second Mortgage remains unpaid and notwithstanding any other provision of this Mortgage:

(a) this Mortgage is junior, subject and subordinate in all respects to the First Mortgage and the Second Mortgage, and to all amendments, modifications, renewals and extensions of the First Mortgage and the Second Mortgage (all of which may be entered into without notice to the Trustees hereunder) notwithstanding that such amendments, modifications, renewals or extensions may increase the amount of principal or interest secured thereunder;

(b) this Mortgage may not be amended or modified, without the prior written consent of the First Mortgagees and the Second Mortgagees;

(c) the Trustees shall provide the First Mortgagees and the Second Mortgagees with prompt notice of all Defaults occurring under this Mortgage;

(d) without the prior written consent of the First Mortgagees, and the Second Mortgagees, no foreclosure, exercise of a power of sale or other action or proceeding shall be brought under this Mortgage, none of the rights provided in sections 4.02 through 4.22 hereof, including, without limitation, any right to receive or collect any sums secured by this Mortgage, may be exercised by the Trustees or any Beneficiary and none of the Mortgagors' covenants hereunder may be performed by the Trustees or any Beneficiary with respect to (x) the Trust Estate, or (y) any lessee or user of any portion of the Trust Estate where the effect might be to terminate any lease or agreement for use, and no such foreclosure or

other action or proceeding shall name any such lessee or user as a party thereto;

(e) if, after the consent of the First Mortgagees and the Second Mortgagees, has been obtained in accordance with subsection 4.23(d) above, the Trustees shall take any action to foreclose or otherwise enforce this Mortgage or any covenant of this Mortgage, (i) prompt notice of such action shall be given to the First Mortgagees and to the Second Mortgagees, and true copies of all instruments delivered, served or entered in connection with such action shall be promptly delivered to the First Mortgagees and to the Second Mortgagees, (ii) no portion of the rents, issues and profits of the Trust Estate shall be collected except through a receiver appointed by a court in connection with a foreclosure proceedings, or by the First Mortgagees or the Second Mortgagees in connection with any other action taken by the Trustees, and (iii) such rents, issues and profits collected by such receiver or First Mortgagees or Second Mortgagees shall be applied first to the payment of all principal, interest and other sums secured by the First Mortgage which are then due and payable, until paid in full, and any excess thereof shall be applied to the payment of all principal, interest and other sums secured by the Second Mortgage which are then payable until paid in full, and the Trustees shall not be entitled to any portion thereof until all indebtedness secured by the First Mortgage or by the Second Mortgage which is then due and payable shall have been paid in full; however, if the First Mortgagees or Second Mortgagees shall foreclose or otherwise enforce the First Mortgage or the Second Mortgage, as the case may be, at the same time or subsequent to any foreclosure, exercise of power of sale or enforcement of this Mortgage by the Trustees, then all such rents, issues and profits collected by any receiver shall be paid to the First Mortgagees until all of the indebtedness secured by the First Mortgage shall have been paid in full, and any excess thereof shall be paid to the Second Mortgagees until all of the indebtedness secured by the Second Mortgage shall have been paid in full;

(f) the Trustees shall not acquire, by subrogation or otherwise, any lien, estate, right or other interest in the Property which is, or may be, prior in right to this Mortgage, including, without limitation, advances for real estate taxes and assessments;

(g) to futher evidence the subordination referred to in this section 4.23, the Trustees agree that, within ten days after request by the First Mortgagees or the Second Mortgagees, as the case may be, they will do, acknowledge and deliver all and every such further acts, deeds, conveyances and instruments as the First Mortgagees or the Second Mortgagees may request for the better assuring and evidencing of the foregoing subordination.

## SECTION 5. THE TRUSTEES

5.01. Duties. By their acceptance of the trusts hereunder, the Trustees undertake, and each of them undertakes, for the pro rata benefit of the Beneficiaries, to take such action from time to time for the protection and enforcement of their rights under this Mortgage as may be necessary or appropriate in the interests of the Beneficiaries, provided that:

(a) the Trustees, or either of them, shall not be obligated to take any action under this Mortgage or pursuant to the written instructions from the Beneficiaries which might in their, or either of their, reasonable judgment involve them, or either of them, in any expense or liability unless they shall have been furnished with reasonable indemnity;

(b) unless and until an Event of Default shall have occurred and be continuing, the Trustees, or either of them, shall not be obligated to take any action under this Mortgage except for the performance of such duties as are specifically set forth herein and except as may be requested from time to time in writing by the Required Holders (to the extent such request (i) directs the time, method and place of conducting any proceeding for any remedy available to the Trustees or exercising any trust or power conferred on the Trustees and (ii) does not conflict with any rule of law or this Mortgage), and no implied covenants or obligations shall be read into this Mortgage against the Trustee;

(c) the Trustees, or either of them, in the absence of actual knowledge, shall not be deemed to have knowledge of the existence of any Default or

Event of Default unless notified thereof in writing by either Mortgagor or any Beneficiary;

(d) if and so long as an Event of Default known to the Trustees shall have occurred and be continuing, the Trustees, and each of them, shall exercise such of the rights, powers and remedies vested in them by this Mortgage as they may (in the absence of written instructions from the Required Holders) determined to be in the best interest of the Beneficiaries, or as they may be requested in writing to exercise by the Required Holders (in either case to the extent the exercise of such rights, powers and remedies do not conflict with any rule of law or this Mortgage), and shall use the same degree of care and skill in such exercise as a prudent person would use under the circumstances in the conduct of his or her own affairs;

(e) the Trustees, and each of them, may at any time request written instructions from the Beneficiaries with respect to the interpretation of this Mortgage or action to be taken or suffered or not taken hereunder and may withhold action hereunder until it shall have received such written instructions from the Required Holders;

(f) in the absence of bad faith on the part of the Trustees, or either of them, the Trustees, and each of them, may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected in acting or refraining from acting upon, any resolution, Officer's Certificate, opinion of counsel, note, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgement, verification, appraisal, report, stock certificate or other paper or document believed by the Trustees to be genuine and to have been signed, affixed or presented by the proper party or parties;

(g) the Corporate Trustee shall not be responsible for any error of judgment made in good faith by a Responsible Officer or Officers of the Corporate Trustee unless it shall be proved that the Corporate Trustee was negligent in ascertaining the pertinent facts;

(h) the Individual Trustee shall not be liable for any error of judgement made by him or her in good faith, unless it shall be proved that he or she was negligent in ascertaining the pertinent facts; and

(i) the Trustees may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Trustees, shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by them hereunder.

5.02. Limitation on Liability. Nothing contained herein shall relieve either Trustee from liability for its own negligent action, negligent failure to act, bad faith or willful misconduct, except that (a) this section 5.02 shall not be construed to limit the effect of sections 5.01(a), (b), (c), (e), (f), (g) and (h), and (b) the Trustees, or either of them, shall not be under any liability with respect to any action taken or suffered or not taken in good faith in accordance with the written request or instructions of the Required Holders.

5.03. No Responsibility for Recitals, etc. Neither Trustee assumes any responsibility for the correctness of the recitals and statements contained herein or makes any representation as to the validity or sufficiency hereof; or as to the security or other interests afforded hereby, or as to the title of Mortgagors to the Trust Estate or as to the descriptions thereof. Neither Trustee shall be accountable for the use or application by Mortgagors of any of the Secured Indebtedness or of the proceeds thereof.

5.04. Officer's Certificate of Company as Proof. Whenever, in the administration of the trusts created by this Mortgage, the Trustees, or either of them, shall consider it necessary or desirable that any matter be proved or established prior to its taking or permitting or omitting any action hereunder, such matter (unless other evidence in respect thereof is specifically prescribed herein) may, subject to sections 5.01 and 5.02, be deemed to be conclusively proved and established by an Officer's Certificate of the Company delivered to the Trustees, and, subject as aforesaid, such Officer's Certificate shall be full warrant and authority to the Trustees, and each of

them, for any action taken, permitted, or omitted by it, him or her under this Mortgage in reliance thereon, provided that the Trustees, or either of them, in their discretion may, notwithstanding section 5.01(b), and if requested in writing to do so by the holders of at least 10% in principal amount of the Secured Indebtedness at the time outstanding and furnished with security and indemnity against the costs and expenses of such examinations as provided in section 5.01 shall, require such further and additional evidence and make such further investigation as the Trustees may consider reasonable.

5.05. Compensation and Expenses; Lien Therefor. The Company will from time to time, on demand, pay to the Trustees such compensation (which compensation shall not be limited by any provision of law in regard to compensation of a trustee of an express trust) for their services hereunder as shall be agreed to by the Company and the Trustees, or, in the absence of such agreement, reasonable compensation for such services, and pay (or reimburse the Trustees for) all reasonable expenses of the Trustees hereunder, including, without limitation, the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustees may employ in connection with the exercise and performance of their rights and duties hereunder. The Company hereby indemnifies and saves each Trustee harmless against and from any losses, expenses and liabilities, not arising from its, his or her own default or negligence, which it, he or she may incur in the exercise and performance of its, his or her rights and duties hereunder, including costs and expenses of defending against any claim or liability in connection with the exercise or performance of its powers or duties hereunder. As security for the performance of the obligations of the Company under this section 5.05, the Trustees shall have a lien prior to the Secured Indebtedness upon all property and funds held or collected by the Trustees as such.

5.06. Amendment, etc. of Mortgage. Without the prior written instructions of the Required Holders the Trustees shall not (a) agree to any amendment or modification of this Mortgage, or (b) consent to or accept any cancellation or termination of this Mortgage.

5.07. Funds Held in Trust; Segregation; Investment of Monies by Trustees. All funds received by the Trustees, or either of them, under or pursuant to this Mortgage shall constitute trust funds for the purpose for which they were paid or are held, but need not be segregated in any manner from any other monies, and may be held or deposited by the Trustees, or either of them, under such conditions as may be prescribed by law for trust funds provided, that anything herein contained to the contrary notwithstanding, unless and until an Event of Default shall have occurred and be continuing, the Trustees shall, upon the written request of the Company, apply any monies at the time held by the Trustees hereunder to the purchase of such Authorized Securities as may be specified in such request, which shall be held as part of the Trust Estate. Such investments shall mature in such amounts and not later than such times as may be necessary to provide funds when needed by the Trustees to make payments under this Mortgage. Any Authorized Securities so purchased shall be sold at any time upon the written request of the Company or in connection with any application of monies held by the Trustees under this Mortgage, and the proceeds thereof and of any Authorized Securities which shall have matured (exclusive of any amount received or collected for interest thereon in excess of interest or premium, if any, paid as part of the purchase price thereof, and, in the case of Authorized Securities purchased at a discount, exclusive of any portion of the principal thereof in excess of the purchase price thereof) shall be held and applied in the same manner as is herein provided in respect of the monies used to purchase such Authorized Securities. Interest and principal, if any, excluded as aforesaid shall be paid to the Company, unless and until an Event of Default shall have occurred and be continuing to the knowledge of the Trustees. If the net proceeds of any Authorized Securities upon any sale or maturity thereof (including all interest not payable to the Company, as aforesaid) shall be less than the amount paid in the purchase thereof, the Company will pay the amount of such deficiency to the Trustees, and the Trustees shall have the right, but no obligation, to make demand on the Company, for any such payment.

5.08. Resignation of Trustees. The Trustees, or either of them, may resign and be discharged from the trusts created hereby by delivering notice thereof to the Company (and, in the case of resignation of the Individual

Trustee, to the Corporate Trustee) and by giving written notice thereof to all of the Beneficiaries, specifying a date (not earlier than 45 days after the giving of such notice) when such resignation shall take effect. Such resignation shall take effect on the date specified in such notice, unless previously a successor Trustee shall have been appointed as provided in section 5.10, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee.

5.09. Removal of Trustee. The Trustees, or either of them, may be removed at any time, for or without cause, by an instrument or instruments in writing executed by the Required Holders and delivered to the Trustee or Trustees to be removed (and, in the case of removal of the Individual Trustee, to the Corporate Trustee), a copy of which shall be forthwith sent by such holders to the Company, specifying the removal and the date when it shall take effect.

5.10. Appointment of Successor Trustees. In case at any time the Trustees, or either of them, shall resign or be removed, or, in the case of the Individual Trustee, shall die or become incapable of acting, a successor Trustee (eligible, in the case of a successor Corporate Trustee, as provided in section 5.13) may be appointed by an instrument or instruments in writing executed by the Required Holders (or, in the case of an appointment of a successor Individual Trustee, by the Corporate Trustee) and filed with such successor Trustee. Until a successor Corporate Trustee shall be so appointed, the Company shall appoint a successor Corporate Trustee (eligible as provided in section 5.13) to fill such vacancy, such appointment to be effected by an instrument in writing delivered to such successor Corporate Trustee. Promptly after any such appointment, the Company (or, in the case of any such appointment of a successor Individual Trustee, the Corporate Trustee) shall give written notice thereof to each Beneficiary (and, in the case of any such appointment of a successor Individual Trustee, the Company). Any successor Trustee so appointed by the Company or the Corporate Trustee shall immediately and without further act be superseded by a successor Trustee appointed by the Required Holders in the manner provided above in this section 5.10. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing

provisions of this section 5.10 within six months after a vacancy shall have occurred in the office of either Trustee, any Beneficiary or such retiring Trustee (but not if such retiring Trustee has been removed) may apply to any court of competent jurisdiction to appoint a successor Trustee, and such court may thereupon, after such notice, if any, as it may consider proper, appoint a successor Trustee, eligible, in the case of a successor Corporate Trustee, as provided in section 5.13.

5.11. Succession of Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Company and the predecessor Trustee an instrument accepting such appointment, and thereupon such successor Trustee, without further action, shall become vested with the title to the Trust Estate, and with all the rights and duties of the predecessor Trustee hereunder, with like effect as if originally named as Trustee herein. Upon the request of any such successor Trustee, however, each Mortgagor and the predecessor Trustee shall execute and deliver such instruments and do such other things as may reasonably be required for the vesting in and better assuring to such successor Trustee the title to the Trust Estate and all such rights and duties of the predecessor Trustee, and the predecessor Trustee shall also assign and deliver to the successor Trustee any property subject to the lien of this Mortgage which may then be in its or his possession.

5.12. Joinder of Individual Trustee. William C. Arnebeck has been joined as Individual Trustee hereunder in order to comply with any legal requirements respecting trustees under mortgages of property in the jurisdictions, or any of them, in which the Trust Estate or any part thereof is or may be situated and so that if, by any present or future law in any jurisdiction in which it may be necessary to perform any act in the execution of the trusts created hereby, the Corporate Trustee shall be incompetent or unqualified so to act, then all the acts required to be performed in such jurisdiction in the execution of the trusts created hereby shall be performed by the Individual Trustee and the Corporate Trustee, jointly, or the Individual Trustee acting alone. Notwithstanding any other provision in this Mortgage, the Individual Trustee shall act in accordance with and be subject to the same terms and conditions as are set forth

in paragraphs(a) to (e), inclusive, of section 5.15 with respect to a co-trustee or a separate trustee. In case the Individual Trustee shall resign or be removed, or die or become incapable of acting, the title to the Trust Estate, and all rights, powers, trusts, duties and obligations of the Trustees shall, so far as permitted by law, vest in and be exercised by the Corporate Trustee, unless and until a successor Individual Trustee shall be appointed in the manner herein provided. The Individual Trustee shall not be personally liable by reason of any act or omission of the Corporate Trustee or any co-trustee or separate trustee or by reason of any act or omission of the Individual Trustee taken or omitted to be taken pursuant to written instructions received by him or her from the Corporate Trustee. Notice to the Corporate Trustee or a co-trustee or separate trustee shall not constitute notice to the Individual Trustee unless and until such notice is actually received by the Individual Trustee.

5.13. Eligibility of Corporate Trustee. The Corporate Trustee shall always be a state or national bank or trust company in good standing, organized under the laws of the United States of America or one of the States thereof having its principal office in the Borough of Manhattan, the City of New York, or in the State of New Jersey, and having a capital, surplus and undivided profits to its shareholders aggregating at least \$100,000,000, if there be such a bank or trust company willing and able to accept such trust upon reasonable and customary terms. In case at any time the Corporate Trustee shall cease to be eligible in accordance with the provisions of this section 5.13, the Corporate Trustee shall resign immediately in the manner and with the effect specified in section 5.09.

5.14. Successor Corporate Trustee by Merger, etc. Any corporation into which the Corporate Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Corporate Trustee shall be a party, or any state or national bank or trust company in any manner succeeding to the corporate trust business of the Corporate Trustee as a whole or substantially as a whole, if eligible as provided in subsection 5.13, shall be the successor of the Corporate Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything to the contrary contained herein notwithstanding.

5.15. Co-Trustees and Separate Trustees. At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Required Holders shall have power, without any action by the Mortgagors, to appoint, and to execute and deliver all instruments and agreements necessary or proper to appoint, one or more individuals or corporations approved by the Corporate Trustee either to act as co-trustee, or co-trustees, jointly with the Trustees, of all or any part of the Trust Estate, or to act as separate trustee or separate trustees of all or any part of the Trust Estate, and to vest in such individuals or corporations, in such capacity, such title to the Trust Estate or any part thereof, and such rights or duties as such holders may consider necessary or desirable, subject to the remaining provisions of this section 5.15. Each Mortgagor and the Trustees shall execute, acknowledge and deliver all such instruments as may be required by any such co-trustee or separate trustee for more fully confirming such title, rights or duties to such co-trustee or separate trustee. Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms and conditions:

(a) All rights and duties conferred or imposed by this Mortgage upon the Trustees, or either of them, in respect of the custody, control or management of moneys, papers, securities and other personal property shall be exercised solely by the Corporate Trustee.

(b) All rights and duties conferred or imposed by this Mortgage upon the Trustees, or either of them, shall be conferred or imposed upon and exercised or performed by the Corporate Trustee, or by the Corporate Trustee and such co-trustee or separate trustees or separate trustee or separate trustees jointly, as shall be provided in the instrument appointing such co-trustee or co-trustees or separate trustee or separate trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Corporate Trustee shall be incompetent or unqualified to perform such act or acts, in which event such act or acts shall be performed by such co-trustee or co-trustees or separate trustee or separate trustees.

(c) Subject to the provisions of sections 5.01 and 5.02, and except as may be otherwise expressly provided herein, any request in writing by the Corporate Trustee to any co-trustee or separate trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by such co-trustee or separate trustee.

(d) Any co-trustee or separate trustee may delegate to the Corporate Trustee the exercise of any right or duty, discretionary or otherwise, conferred or imposed by this Mortgage.

(e) Any moneys, securities, title documents or other items of personal property received by any such co-trustee or separate trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Corporate Trustee.

(f) The Trustees at any time, by an instrument in writing, and without any approval of or action by the Mortgagors, may accept the resignation of or remove any co-trustee or separate trustee appointed under this section 5.15. Upon the written request of the Trustees, the Company shall join with the Trustees in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this section 5.15.

(g) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustees, or either of them, or any other co-trustee or separate trustee.

(h) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing, executed by the Beneficiaries and delivered to the Trustees, or either of them, hereunder, shall be deemed to have been delivered to such co-trustee or separate trustee.

Upon the acceptance in writing of such appointment by any such co-trustee or separate trustee, it, he or she shall be vested with such title to the Trust Estate or any part thereof, and with such rights and duties, as shall be specified in the instrument of appointment, jointly with the Trustees (except in so far as local law makes it necessary for any such co-trustee or separate trustee to act alone) subject to all the terms of this Mortgage. Every such acceptance shall be filed with the Trustees. Any co-trustee or separate trustee may, at any time by an instrument in writing, constitute the Trustees, or either of them, its or his attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on its behalf and in its or his name. In case any co-trustee or separate trustee shall die, become incapable of acting, resign or be removed, the title to the Trust Estate and all rights and duties of such co-trustee or separate trustee shall, so far as permitted by law, vest in and be exercised by each Trustee without the appointment of a successor to such co-trustee or separate trustee.

5.16. New York Real Property Law. To the extent, if any, that Article 4-A of the New York Real Property Law, as in effect from time to time, may apply to this Mortgage or the transactions contemplated hereby, the Trustees shall have the powers and be subject to the duties set forth in section 126 of the New York Real Property Law, as in effect on the date of this Mortgage as originally executed. There are hereby incorporated by reference in this Mortgage the provisions described in paragraph (a) through (f) of section 130-k of the New York Real Property Law, as in effect on the date of this Mortgage as originally executed, including, without limitation, all provisions which are permitted by the terms of paragraphs (b)(1) and (b)(9) of such section 130-k to be included in any indenture. To the extent that any applicable provision of Article 4-A of the New York Real Property Law conflicts with any provision of this Mortgage, the relevant provision of Article 4-A shall be controlling.

## SECTION 6. MISCELLANEOUS

6.01. Scope and Limitation of Obligations. Notwithstanding any other provision of this Mortgage, the

Company undertakes to perform and observe and shall be liable and responsible for all obligations, covenants, representations and warranties of the other Mortgagor and all the terms and conditions hereof. Notwithstanding any other provision of this Mortgage, the rights, obligations and liabilities of such other Mortgagor hereunder are subject to the following limitations: (a) such Mortgagor undertakes to perform and observe and shall be liable and responsible for only those obligations, covenants, representations, warranties, terms and conditions hereof which pertain to any of the Lands owned by it, the Improvements and Equipment located thereon, and any other Property owned by it; and (b) only the Company shall have personal liability with respect to the payment of the principal of and premium, if any, and interest on any Secured Indebtedness, and neither Mortgagor shall do anything which will impede or prevent the other Mortgagor from performing or observing any of the obligations, covenants, terms or conditions of this Mortgage.

6.02. Further Assurances. Each Mortgagor at the expense of the Company will execute, acknowledge and deliver all such instruments and take all such action as the Trustees from time to time may reasonably request for the better assuring to the Trustees of the properties and rights now or hereafter subjected to the lien hereof or assigned hereunder or intended so to be.

6.03. Additional Security. Without notice to or consent of either Mortgagor, and without impairment of the lien and rights created by this Mortgage, the Trustees may accept from either Mortgagor, or from any other Person, additional security for any Secured Indebtedness at the time outstanding. Neither the giving of this Mortgage nor the acceptance of any such additional security shall prevent the Trustees from resorting, first, to such additional security, or, second, to the security created by this Mortgage, in either case without affecting the lien hereof and rights hereunder.

6.04. Defeasance, Release and Reconveyance. If the Company shall pay the principal of, and interest on, the Notes in accordance with the terms thereof, all other sums payable hereunder by the Mortgagors and shall comply with all the terms hereof and of the Financing Agreement, then this Mortgage shall be null and void and of no further

force and effect and, upon receipt by the Trustees of an Officer's Certificate and an opinion of counsel specifying that the conditions to release set forth in this section 6.04 have been fulfilled, shall be released and reconveyed by the Trustees at the request and expense of the Company.

6.05. Notices, etc. All notices, requests and other communications hereunder shall be made by first class mail, postage prepaid, (a) if to the Trustees, addressed to them at the address of the Corporate Trustee set forth in the first paragraph hereof, Attention: Corporate Trust Department (provided that no such notice shall be effective unless and until such notice is delivered to such address of such Corporate Trustee) (b) if to any Beneficiary, addressed to it at its address set forth in the Financing Agreement (or at such other address as such Beneficiary may have designated by written notice to the Company), (c) if to the Company or the other Mortgagor, addressed to them at their respective addresses set forth in the first paragraph hereof, Attention: President (or at such other address as the Company or the other Mortgagor may have designated by written notice to the Trustees), or (d) if to any other Beneficiary, addressed to such Beneficiary at the most recent address of such Beneficiary filed with (or, if none filed, at the most recent address of the payee of such Secured Indebtedness known to the Company) the Company.

6.06. List of Beneficiaries. The Company shall furnish to the Trustees (a) annually, within 15 days of the commencement of the calendar year, an Officer's Certificate setting forth the names and addresses (to which notices, requests and other communications and payments by the Trustees hereunder shall be delivered or made) of the Beneficiaries as of such date and the aggregate principal amount held by each and (b) at such other times as the Company shall receive notice of the transfer of any Secured Indebtedness or as the Trustees may request in writing.

6.07. Amendment, Waiver, etc. This Mortgage and any term hereof may be amended, discharged or terminated and the observance of any term of this Mortgage and any Default and its consequences may be waived (either generally or in a particular instance and either retroactively or prospectively) by (but only by) an instrument in writing signed (a) by the Company, (b) insofar as any such amendment or waiver affects the

security granted hereunder by and the obligations of the other Mortgagor, by such Mortgagor, (c) by the Required Holders and (d) the Trustees.

6.08. Compliance with New York Lien Law.

Mortgagors will, in compliance with Section 13 of the New York Lien Law, receive the advances secured hereby and will hold the rights to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvement and will apply the same first to the payment of the cost of improvement before using any part of the total of the same for any other purpose.

6.09. Miscellaneous. On request, each Mortgagor will furnish to the Trustees and any Beneficiary a written statement of any amounts due from such Mortgagor and secured hereby. All agreements herein shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. This Mortgage is executed and delivered in, and its terms and provisions are to be governed by, the laws of the State of New York except to the extent, if any, that any provision hereof must be governed as a matter of law by the laws of the state of the sites of property securing payment of the Secured Indebtedness. The headings herein are for the purposes of reference only and shall not limit or otherwise affect the meaning hereof. This Mortgage may be executed in two or more counterparts, each of which shall be deemed an original; it shall not be necessary in proving this Mortgage to produce or account for more than one such counterpart.

IN WITNESS WHEREOF, the parties hereto have caused this Mortgage to be executed and (in the case of the corporate parties hereto) their respective corporate seals to be hereunto affixed and attested by their respective

officers thereunto duly authorized, all as of the date first above written.

LCP CHEMICALS & PLASTICS, INC.

Witnesses:

James H. Greis  
[Signature]

[Corporate Seal]

By: [Signature]  
C. A. Hansen, Jr.  
President



Attest:

[Signature]  
John Kandravy,  
Secretary

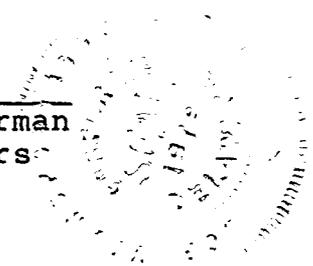
LCP TRANSPORTATION, INC.

Witnesses:

James H. Greis  
[Signature]

[Corporate Seal]

By: [Signature]  
C. A. Hansen, Jr. Chairman  
of the Board of Directors



Attest:

[Signature]  
~~John Kandravy~~ J. HALAK  
Secretary

FIDELITY UNION BANK,  
as Trustee

Witnesses:

Mark S. Bell

By: L. Haller

Second Vice President

[Corporate Seal]

[Corporate Seal]

Attest:

W. Hecht

Assistant Secretary

William C. Arnebeck  
William C. Arnebeck, as Trustee

Witnesses:

Mark S. Bell

[Corporate Seal]

This instrument was prepared by Theodore G. Lindsay of Simpson Thacher & Bartlett, 350 Park Avenue, New York, New York 10022.

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

This 28th day of April 1982, personally came before me Frances J. Scarano, a notary public of the State of New York, JOHN KANDRAVY, who, being by me duly sworn, says that he knows the common seal of LCP CHEMICALS & PLASTICS, INC., and is acquainted with C.A. Hansen, Jr., who is the president of said corporation, and that he, the said John Kandravy, is the secretary of the said corporation, and saw the said common seal of said corporation affixed to said instrument by said president, and that he, the said John Kandravy, signed his name in attestation of the execution of said instrument, in the presence of said president of said corporation. Witness my hand and official seal this 28th day of April, 1982.

*Frances J. Scarano*  
\_\_\_\_\_  
Notary Public

[Official seal]

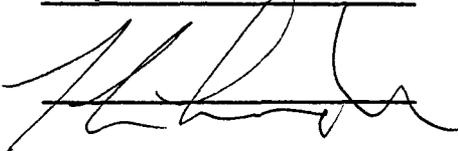
FRANCES J. SCARANO  
Notary Public, State of New York  
No. 41-8781220 Queens County  
Certificate filed in New York County  
Term Expires March 30, 1984

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

Before me, a notary public in and for said county, personally appeared C.A. HANSEN, JR. and JOHN KANDRAVY, to me known and known to me to be the persons who, as president and secretary, respectively, of LCP CHEMICALS & PLASTICS, INC., the corporation which executed the foregoing instrument, signed the same and acknowledged to me that they did so sign said instrument in the name and on behalf of said corporation as such officers, respectively; that the same is their free act and deed as such officers, respectively, and the free and corporate act and deed of said corporation; that they were duly authorized thereunto by its board of directors; and that the seal affixed to said instrument is the corporate seal of said corporation.

In testimony whereof I have hereunto subscribed my name and affixed my official seal at New York City, New York, this 28th day of April, 1982.

Attesting Witnesses:

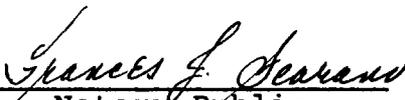
  
\_\_\_\_\_  
  
\_\_\_\_\_

  
\_\_\_\_\_  
Notary Public

FRANCES J. SCARANO  
Notary Public, State of New York  
No. 41-8781220 Queens County  
Certificate filed in New York County  
Term Expires March 30, 1984

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

On the 28th day of April in the year 1982, before me a notary public duly authorized in the state and county named above to take acknowledgments, personally came C.A. HANSEN, JR. to me known, who, being by me duly sworn, did depose and say that he resides at 1 Scenic Drive, Highland, New Jersey 07732; that he is the President of LCP CHEMICALS & PLASTICS, INC., the corporation described in and which executed the above instrument; that he knows 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, that he signed his name thereto by like order as and for the voluntary act and deed of said corporation and that he received a certified true copy of said instrument on behalf of said corporation.

  
\_\_\_\_\_  
Notary Public

[Notarial Seal and Stamp]

FRANCES J. SCARANO  
Notary Public, State of New York  
No. 41-8781220 Queens County  
Certificate filed in New York County  
Term Expires March 30, 1984

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

On the 28th day of April in the year 1982, before me a notary public duly authorized in the state and county named above to take acknowledgments, personally came C.A. HANSEN, JR. to me known, who, being by me duly sworn, did depose and say that he resides at 1 Scenic Drive, Highland, New Jersey 07732; that he is the Chairman of the Board of Directors of LCP TRANSPORTATION, INC., the corporation described in and which executed the above instrument; that he knows 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, that he signed his name thereto by like order as and for the voluntary act and deed of said corporation and that he received a certified true copy of said instrument on behalf of said corporation.

Francis J. Scavano  
Notary Public

[Notarial Seal and Stamp]

FRANCES J. SCARANO  
Notary Public, State of New York  
No. 41-8781220 Queens County  
Certificate filed in New York County  
Term Expires March 30, 1984

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

This 28th day of April, 1982, personally came before me Frances J. Scarano, a notary public of the State of New York, JOHN KANDRAVY, <sup>Halak</sup> who, being by me duly sworn, says that he knows the common seal of LCP TRANSPORTATION, INC., and is acquainted with C.A. Hansen, Jr., who is the chairman of the board of directors, the presiding member, of said corporation, and that he, the said John ~~Kandravy~~, <sup>Halak</sup> is the secretary of the said corporation, and saw the said common seal of said corporation affixed to said instrument by said chairman of the board, and that he, the said John Kandravy, signed his name in attestation of the execution of said instrument, in the presence of said chairman of the board of said corporation. Witness my hand and official seal this 28th day of April, 1982.

*Frances J. Scarano*  
\_\_\_\_\_  
Notary Public

[Official seal]

FRANCES J. SCARANO  
Notary Public, State of New York  
No. 41-8781220 Queens County  
Certificate filed in New York County  
Term Expires March 30, 19 <sup>84</sup>



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

This 28th day of April, 1982, personally came before me Frances J. Scarano, a notary public of the State of New York, DEVORAH HECHT, who, being by me duly sworn, says that she knows the common seal of FIDELITY UNION BANK, and is acquainted with LINDA L. PATTERSON, who is a second vice president of said corporation, and that she, the said DEVORAH HECHT, is an assistant secretary of the said corporation, and saw the said common seal of said corporation affixed to said instrument by said assistant vice president, and that she, the said DEVORAH HECHT, signed her name in attestation of the execution of said instrument, in the presence of said second vice president of said corporation. Witness my hand and official seal this 28th day of April, 1982.

[Official seal]

*Frances J. Scarano*  
Notary Public  
FRANCES J. SCARANO  
Notary Public, State of New York  
No. 41-8781220 Queens County  
Certificate filed in New York County  
Term Expires March 30, 1984

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

On the 28th day of April in the year 1982 before me, a notary public duly authorized in the state and county named above to take acknowledgments, personally came LINDA L. PATTERSON, to me known, who, being by me duly sworn, did depose and say that she resides at 4 Mitchell Rd Somerville, NJ; that she is a second vice president of FIDELITY UNION BANK, the corporation described in and which executed the above instrument; that she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by authority of the by-laws of said corporation, that she signed her name thereto by like authority as and for the voluntary act and deed of said corporation.

*Francis J. Scarano*  
Notary Public

[Notarial Seal and Stamp]

FRANCES J. SCARANO  
Notary Public, State of New York  
No. 41-8781220 Queens County  
Certificate filed in New York County  
Term Expires March 30, 1984

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

Before me, a notary public in and for said county, personally appeared LINDA L. PATTERSON and DEVORAH HECHT, to me known and known to me to be the persons who, as second vice president and assistant secretary, respectively, of FIDELITY UNION BANK, the corporation which executed the foregoing instrument, signed the same and acknowledged to me that they did so sign said instrument in the name and on behalf of said corporation as such officers, respectively; that the same is their free act and deed as such officers, respectively, and the free and corporate act and deed of said corporation; that they were duly authorized thereunto by its board of directors; and that the seal affixed to said instrument is the corporate seal of said corporation.

In testimony whereof I have hereunto subscribed my name and affixed my official seal at New York, New York, this 28th day of April 1982.

Attesting Witnesses:

Mark J. Hall  
[Signature]

Frances J. Scarano  
Notary Public

FRANCES J. SCARANO  
Notary Public, State of New York  
No. 41-8781220 Queens County  
Certificate filed in New York County  
Term Expires March 30, 1984

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

On the 28th day of April in the year 1982 before me, a notary public duly authorized in the state and county named above to take acknowledgments, personally came William C. Arnebeck, as trustee, to me known to be the individual described in and who executed the foregoing instrument, and acknowledged that he executed the same as and for his voluntary act and deed.

*Frances J. Scarano*  
\_\_\_\_\_  
Notary Public

[Notarial Seal and Stamp]

FRANCES J. SCARANO  
Notary Public, State of New York  
No. 41-8781220 Queens County  
Certificate filed in New York County  
Term Expires March 30, 1984

SCHEDULE A

DESCRIPTION OF FLORIDA LAND

All those certain lots, tracts or parcels of land situate, lying and being in the Town of Pompano Beach, County of Broward and State of Florida, described as follows:

Lots 102, 103 and 104 of EAST COAST INDUSTRIAL CENTER, according to the Plat thereof recorded in Plat Book 63 at page 30 of the Public Records of Broward County, Florida.

\* \* \* \*

SCHEDULE B

DESCRIPTION OF GEORGIA LAND

All of those certain lots, tracts or parcels of land situate, lying and being in the County of Glynn and State of Georgia, described and identified according to a print of a plat thereof made by James L. Conine, Georgia Registered Surveyor Number 1545, dated August 20, 1979, and revised on October 5, 1979, entitled "Linden Chemicals & Plastics, Inc.", which is made a part hereof for all purposes and containing three separate tracts which are described as follows:

TRACT I:

Beginning at a point shown on said plat as "point of beginning" which point marks the intersection of the Westerly line of Ross Road with the Northwesterly line of the Southern Railway Dock Spur and from said beginning point; running thence

1. In a Northerly direction along said Westerly line of Ross Road North  $7^{\circ}-23'-20''$  East for a distance of 1,165.08 feet; thence

2. North  $82^{\circ}-36'-40''$  West for a distance of 992.30 feet; thence

3. South  $7^{\circ}-23'-20''$  West for a distance of 125 feet; thence

4. North  $82^{\circ}-36'-40''$  West for a distance of 200 feet; thence

5. North  $5^{\circ}-38'-20''$  East for a distance of 527.11 feet; thence

6. South  $64^{\circ}-21'-20''$  West for a distance of 236.84 feet; thence

7. North  $9^{\circ}-46'-20''$  East along the Westerly line of the Brunswick Altamaha Canal for a distance of 1,005.92 feet; thence

8. Continuing along said line of said Canal North  $18^{\circ}-35'-40''$  West for a distance of 1,000.69 feet; thence

9. Continuing along said line of said Canal North  $25^{\circ}-13'-40''$  West for a distance of 538.88 feet; thence

10. South  $23^{\circ}-48'$  West for a distance of 200 feet, more or less, to the center line of Purvis Creek; thence

11. In a general Westerly, Northerly and Easterly direction along the center line of said Purvis Creek as it winds and turns and along the Westerly line of lands now or formerly of L.E. Robarts to the intersection of the center line of said Creek with the center line of duBignon Creek (said duBignon Creek also being known as Ellis Creek or Doerflinger Creek); thence

12. In a Westerly direction along the center line of deBignon Creek as it winds and turns to the center line of Gibson Creek, thence

13. In a general Southerly direction along the center line of Gibson Creek as it winds and turns to the low water line of Turtle River; thence

14. Continuing in a general Southerly direction along the low water line of Turtle River to an iron pipe marking the point where said low water line of Turtle River is intersected by the line shown on said map and plat as running from said Southern Railway Dock Spur South  $73^{\circ}-55'-50''$  West for a distance of 200 feet, more or less, and which line is reached in the manner hereinafter set out; returning thence

15. To the beginning point and running in a Southerly and Westerly direction along the Westerly and Northerly line of said Southern Railway Dock Spur with the tie lines as hereinafter set out; thence

16. South  $27^{\circ}-07'-40''$  West for a chord distance of 192.20 feet; thence

17. South  $33^{\circ}-37'-08''$  West for a chord distance of 412.47 feet; thence

18. South  $42^{\circ}-16'-13''$  West for a chord distance of 426.55 feet; thence

19. South  $51^{\circ}-31'-23''$  West for a chord distance of 434.96 feet; thence

20. South  $60^{\circ}-25'-27''$  West for a chord distance of 501.17 feet; thence

21. South  $70^{\circ}-21'-36''$  West for a chord distance of 429.86 feet; thence

22. Along the Northerly line of said Spur South  $74^{\circ}-03'-00''$  West for a distance of 887.1 feet; thence

23. South  $15^{\circ}-57'-00''$  East for a distance of 50 feet; thence

24. South  $74^{\circ}-03'-00''$  West for a distance of 1,586.42 feet, thence

25. Following the Northerly line of said Spur with inside curve data of delta  $3^{\circ}-28'-00''$ , a tangent of 42.9, a radius of 1,417.79 feet for a distance of 85.78 feet; thence

26. South  $77^{\circ}-31'-00''$  West for a distance of 705.30 feet; thence

27. South  $12^{\circ}-34'-40''$  East for a distance of 13 feet; thence

28. Following the Northerly and Westerly line of said Spur with outside curve data bearing a delta of  $84^{\circ}-9'-50''$ , a tangent of 440.72, a radius of 716.93, for a distance of 488.06 feet to a concrete monument; and thence

29. South  $73^{\circ}-55'-50''$  West for a distance of 200 feet, more or less, to the low water line of Turtle River and the point of intersection of said line with the Westerly line of the property herein described.

TRACT II:

To locate the beginning point commence at a point on the Westerly line of Ross Road which marks the point of intersection of the Northwesterly line of the Southern Railway Dock Spur with said Westerly line of Ross Road, and

from said beginning point; running thence North along the Westerly line of said Ross Road North  $7^{\circ}-23'-20''$  East for a distance of 1,165.08 feet; thence South  $78^{\circ}-04'$  East for a distance of 74.4 feet to a point on the Easterly line of Ross Road, which point marks the point of beginning of the tract herein described; and from said beginning point running thence

1. South  $7^{\circ}-23'-20''$  West for a distance of 502.03 feet; thence
2. South  $00^{\circ}-12'-05''$  West with a chord length of 231.95 feet; thence
3. North  $13^{\circ}-48'-50''$  East with a chord length of 273.41 feet; thence
4. North  $3^{\circ}-26'-50''$  West for a distance of 474.09 feet; and thence
5. South  $72^{\circ}-43'$  West for a distance of 30 feet to the point and place of beginning.

TRACT III:

That certain parcel shown on said plat in an inset which is more particularly described as follows:

Commencing at the point of intersection at the Westerly line of Palmetto Street with the Northerly line of West Ninth Street; and from said beginning point running thence

1. North  $82^{\circ}-36'-40''$  West for a distance of 175 feet to the Southeasterly line of said Southern Railway Dock Spur; thence
2. In a Northeasterly direction along said Southeasterly line of said Dock Spur North  $60^{\circ}-15'-30''$  East with a chord distance of 219.5 feet to the point of intersection of the Westerly line of Palmetto Street with said Dock spur; and thence
3. South  $7^{\circ}-23'-20''$  West along said Westerly line of Palmetto Street for a distance of 132.5 feet to the beginning point.

Reference is hereby made to said plat for further description and identification and for all other purposes.

PARCEL TWO

All that certain lot, tract or parcel of land situate, lying and being in Glynn County, Georgia, described and identified according to a print of a plat of survey thereof made by George P. Underwood, Jr., Georgia Registered Surveyor No. 1927 on July 28, 1980, entitled "Kicklighter-Jenkins" containing 17.59 acres and being more particularly described and identified as follows, to-wit:

Commencing at a point on the westerly line of Norwich Street at a concrete monument which point marks the centerline of an abandoned street shown on said plat a "A Street" which point is the northeasternmost corner of the lands of the second part on said westerly line of said street and from said beginning point running along the centerline of said abandoned street North  $82^{\circ} 36' 40''$  West for a distance of 991.98 feet to a concrete monument; thence North  $07^{\circ} 23' 20''$  East for a distance of 541.68 feet; thence North  $63^{\circ} 29' 21''$  East for a distance of 161.99 feet; thence North  $59^{\circ} 49' 52''$  East for a distance of 369.2 feet; thence South  $41^{\circ} 43' 55''$  East for a distance of 115.9 feet; thence North  $77^{\circ} 43' 30''$  East for a distance of 412.51 feet to a concrete monument on the westerly line of Norwich Street Extension; thence along said westerly line of Norwich Street Extension and in a southerly direction with a radius of 8544.94 feet for a distance of 173.49 feet; thence continuing along the line of Norwich Street Extension and the easterly line of Norwich Street with a radius of 2196.57 feet for a distance of 372.82 feet; and thence South  $07^{\circ} 15' 57''$  West for a distance of 384.73 feet to the beginning point.

\* \* \*

## DESCRIPTION OF NEW JERSEY LAND

All those certain lots, tracts or parcels of land situate, lying and being in the City of Linden, County of Union and State of New Jersey, more particularly described as follows:

## TRACT I:

BEGINNING at the terminus of the Second Course of the Second Tract in a deed from Central Railroad Company of New Jersey to General Aniline & Film Corporation dated January 19, 1967, and recorded on January 20, 1967 in Deed Book 2794 on Page 745 in the Union County Register's Office; running thence

1. North  $58^{\circ}-57'-30''$  East, seventeen feet (17.00) to a point; thence

2. North  $31^{\circ}-02'-30''$  West, three hundred ten feet and fifty eight one-hundredths of a foot (310.58) to a point; thence

3. North  $28^{\circ}-58'-40''$  West, eighty seven feet and seven one-hundredths of a foot (87.07) to a point of curve; thence

4. Curving to the right along a curve having a Radius of three hundred forty feet and ninety one one-hundredths of a foot (340.91) an arc distance of one hundred fifty three feet and twenty five one-hundredths of a foot (153.25) to a point of tangency; thence

5. North  $3^{\circ}-13'-20''$  West, sixty nine feet and thirty two one-hundredths of a foot (69.32 ) to a point; thence

6. Curving to the right along a curve having a Radius of one thousand four hundred seven feet and sixty nine one-hundredths of a foot (1,407.69) an arc distance of one hundred ninety five feet and seventy one one-hundredths of a foot (195.71) to a point; thence

7. North  $75^{\circ}-50'-28''$  East, two hundred nineteen feet and seventy four one-hundredths of a foot (219.74) to a point; thence

8. South  $64^{\circ}-52'-17''$  East, nine hundred eighty three feet and twelve one-hundredths of a foot (983.12) to a point in the Pierhead and Bulkhead line of the Arthur Kill; thence

9. North  $2^{\circ}-42'-17''$  West, along the said Pierhead and Bulkhead line of the Arthur Kill, eighty six feet and forty one-hundredths of a foot (86.40) to a point; thence

10. North  $18^{\circ}-11'-43''$  East, continuing along the said Pierhead and Bulkhead line of the Arthur Kill, forty three feet and ninety two one-hundredths of a foot (43.92) to a point; thence

11. North  $64^{\circ}-52'-17''$  West, six hundred five feet and twenty seven one-hundredths of a foot (605.27) to a point of curve; thence

12. Curving to the right along a curve having a Radius of two hundred fifty feet (250.00) an arc distance of one hundred ninety five feet and forty two one-hundredths of a foot (195.42) to a point of tangency; thence

13. North  $20^{\circ}-05'$  West, five hundred seventy five feet and one one-hundredths of a foot (575.01) to a point; thence

14. North  $74^{\circ}-55'$  West, two hundred six feet and nineteen one-hundredths of a foot (206.19) to a point; thence

15. North  $15^{\circ}-05'$  East, one hundred sixty four feet and forty one-hundredths of a foot (164.40) to a point; thence

16. North  $74^{\circ}-52'$  West, two hundred thirty four feet (234.00) to a point; thence

17. South  $15^{\circ}-08'$  West, two hundred sixty five feet (265.00) to a point; thence

18. North 74°-52' West, eighty six feet and seventy three one-hundredths of a foot (86.73) to a point; thence
19. South 69°-17'-40" West, forty three feet and twenty eight one-hundredths of a foot (43.28) to a point; thence
20. North 74°-52' West, twenty nine feet and two one hundredths of a foot (29.02) to a point; thence
21. North 15°-08' East, one hundred twenty six feet and forty seven one-hundredths of a foot (126.47) to a point; thence
22. South 74°-51" East, twelve feet (12.00) to a point; thence
23. North 15°-08' East, twenty seven feet and ninety two one-hundredths of a foot (27.92) to a point; thence
24. North 74°-52' West, twelve feet (12.00) to a point; thence
25. North 15°-08' East, eighty eight feet and seventy two one-hundredths of a foot (88.72) to a point; thence
26. South 74°-52' East, six feet (6.00) to a point in the Sixth Course of the First Tract in the recorded deed mentioned hereinbefore; thence
27. North 15°-08' East, along part of said Sixth Course in the recorded deed mentioned hereinbefore, ninety one feet and eighty one one-hundredths of a foot (91.81) to a point; thence
28. North 74°-55' West, along the Seventh Course in the recorded deed mentioned hereinbefore twenty feet and ninety nine one-hundredths of a foot (20.99) to a monument found; thence
29. South 64°-23'-30" West, two feet and seventy one-hundredths of a foot (2.70) to a point; thence

30. South  $15^{\circ}-09'$  West, ninety feet and twenty five one-hundredths of a foot (90.25) to a point; thence

31. South  $74^{\circ}-51'$  East, three feet (3.00) to a point; thence

32. South  $15^{\circ}-09'-00''$  West, eighty feet and seventy one one-hundredths of a foot (80.71) to a point; thence

33. North  $74^{\circ}-51'$  West, thirteen feet (13.00) to a point; thence

34. South  $15^{\circ}-09'$  West, twenty feet and fifty nine one-hundredths of a foot (20.59) to a point; thence

35. South  $74^{\circ}-51'$  East, thirteen feet (13.00) to a point; thence

36. South  $15^{\circ}-09'$  West, seventy two feet and ninety seven one-hundredths of a foot (72.97) to a point; thence

37. North  $74^{\circ}-51'$  West, ten feet (10.00) to a point; thence

38. South  $15^{\circ}-09'$  West, fifteen feet and sixty six one-hundredths of a foot (15.66) to a point; thence

39. South  $74^{\circ}-51'$  East, ten feet (10.00) to a point; thence

40. South  $15^{\circ}-09'$  West, fifty two feet and ninety six one-hundredths of a foot (52.96) to a point; thence

41. North  $74^{\circ}-52'$  West, seventy nine feet and sixty one one-hundredths of a foot (79.61) to a point; thence

42. North  $00^{\circ}-06'$  East, twenty four feet and six one-hundredths of a foot (24.06) to a point; thence

43. North  $51^{\circ}-52'$  West, forty two feet and twelve one-hundredths of a foot (42.12) to a point; thence

44. North  $36^{\circ}-58'-40''$  East, twenty one feet and eighty one-hundredths of a foot (21.80) to a point; thence

45. North  $29^{\circ}-02'-05''$  East, sixty one feet and thirty five one-hundredths of a foot (61.35) to a point; thence

46. North  $15^{\circ}-46'$  East, twenty six feet and seventy four one-hundredths of a foot (26.74) to a concrete monument; thence

47. North  $86^{\circ}-32'-41''$  West, forty three feet and forty-one one-hundredths of a foot (43.41) to a point; thence

48. North  $75^{\circ}-25'$  West, seventy five feet and fifty four one-hundredths of a foot (75.54) to a point; thence

49. North  $54^{\circ}-56'$  West, one hundred seventeen feet and forty seven one-hundredths of a foot (117.47) to a point; thence

50. North  $79^{\circ}-38'-10''$  West, two hundred thirty three feet and eighty three one-hundredths of a foot (233.83) to a point; thence

51. North  $82^{\circ}-00'-12''$  West, ninety four feet and sixty seven one-hundredths of a foot (94.67) to a point; thence

52. South  $37^{\circ}-56'$  West, three hundred feet (300.00) to a point in the Sixth Course of the First Tract in the recorded deed mentioned hereinbefore; thence

53. South  $52^{\circ}-18'$  East, along part of said Sixth Course in the recorded deed mentioned hereinbefore, seven hundred eighty two feet and forty two one-hundredths of a foot (782.42) to a point; thence

54. South  $46^{\circ}-03'-10''$  East, along the Seventh Course in the recorded deed mentioned hereinbefore, five hundred twenty two feet and seventy seven one-hundredths of a foot (522.77) to a point; thence

55. South  $31^{\circ}-07'-30''$  East, three hundred twenty feet and sixty five one-hundredths of a foot (320.65) to a point; thence

56. South  $58^{\circ}-52'-30''$  West, two feet and ninety six one-hundredths of a foot (2.96) to a point; thence

57. South  $31^{\circ}-02'-30''$  East, five hundred thirty feet (530.00) to the point and place of BEGINNING. The above described tract contains 24.22 acres.

BEING known and designated as Tax Lot 3.01 in Block 587 as shown on the Tax Map of the City of Linden.

The foregoing description is in accordance with that certain Resubdivision Map of Lot 3 in Block 587 of the Tax Map of the City of Linden, Union County, New Jersey, into three lots prepared by Grassmann, Kreh and Mixer, Surveyors, of Union, New Jersey, which Subdivision Map was recorded on June 16, 1977 in the Office of the Register of Union County as Map No. 712-C and is also in accordance with the survey also prepared by Grassmann, Kreh and Mixer, Surveyors of Union, New Jersey dated February 15, 1972, revised to April 4, 1973.

TRACT II:

BEGINNING at a point being South  $64^{\circ}23'30''$  West, 2.70 feet distant from a concrete monument, said monument being the 19th course of a metes and bounds description of a survey, schedule "A", made by Grassmann, Kreh and Mixer, Inc., Engineers and Surveyors, 1034 Salem Road, Union, New Jersey, dated February 15, 1972, continued to April 4, 1973, also being a portion of a tract in a certain deed of conveyance from the Central Railroad Company of New Jersey to General Aniline and Film Corporation dated June 19, 1967, in the Register's Office of Union County, New Jersey, June 20, 1967, in deed book 2794, Page 745, running thence

1. South  $64^{\circ}23'30''$  West, 128.60 feet to a concrete monument; thence

2. South  $15^{\circ}46'00''$  West, 103.00 feet to a concrete monument; thence

3. Continuing South 15°46'00" West, 26.74 feet to a point; thence
4. South 29°02'05" West, 61.35 feet to a point; thence
5. South 36°58'40" West, 21.80 feet to a point; thence
6. South 51°52'00" East, 42.12 feet to a point; thence
7. South 00°06'00" West, 24.06 feet to an iron pipe; thence
8. South 74°52'00" East, 79.61 feet to a point; thence
9. Paralleling the railroad siding, North 15°09'00" East, 52.96 feet to a point; thence
10. North 74°51'00" West, 10 feet to a point; thence
11. Paralleling the railroad siding, North 15°09'00" East, 15.66 feet to a point; thence
12. South 74°51'00" East, 10.00 feet to a point; thence
13. Paralleling the railroad siding, North 15°09'00" East, 72.97 feet to a point; thence
14. North 74°51'00" West, 13.00 feet to a point; thence
15. Paralleling the railroad siding, North 15°09'00" East, 20.59 feet to a point; thence
16. South 74°51'00" East, 13.00 feet to a point; thence
17. Paralleling the railroad right-of-way, North 15°09'00" East, 80.71 feet to a point; thence
18. North 74°51'00" West, 3.00 feet to a point; thence

19. Paralleling the railroad siding, North 15°09'00" East, 90.25 feet to the point and place of BEGINNING.

The above-described tract contains .67 acres.

Being known and designated as Tax Lot 3.02 in Block 587 as shown on the Tax Map of the City of Linden.

The foregoing description is made in accordance with that certain Resubdivision Map of Lot 3 in Block 587 of the Tax Map of the City of Linden, Union County, New Jersey, into three lots prepared by Grassmann, Kreh and Mixer, Surveyors, of Union, New Jersey, which Subdivision Map was recorded on June 16, 1977 in the Office of the Register of Union County as Map No. 712-C.

Being part of those premises described in the Deed dated August 24, 1972 from GAF Corporation, a Delaware Corporation, to Linden Chlorine Products, Inc., a Delaware Corporation and the Grantor named herein, which Deed was recorded August 25, 1972 in Book 2954, at Page 273 in the Office of the Register, Union County, New Jersey.

TRACT III:

BEGINNING at an iron pipe in the fence line between the lands of Linden Chemicals & Plastics, Inc. (formerly Linden Chlorine Products, Inc.) and GAF Corporation said iron pipe being located South 74°52'00" East, 234.00 feet from a monument in the northwesterly side line of the 50-foot right-of-way of the Sound Shore Branch of the Central Railroad of New Jersey; running thence

1. South 74°52'00" East, 138.10 feet to a concrete monument, said monument being the 16th course of the metes and bounds description of a survey, schedule "A", made by Grassmann, Kreh and Mixer, Inc., Engineers and Surveyors, 1034 Salem Road, Union, New Jersey, February 15, 1972, continued to April 4, 1973, and being a portion of a tract and a certain deed of conveyance from the Central Railroad of New Jersey to General Aniline and Film Corporation, dated June 19, 1967, in the Register's Office of Union County, New Jersey, June 20, 1967 in Deed Book No. 2794, Page 745; thence

2. North 15°17'00" East, 44.59 feet to a concrete monument; thence

3. South 74°55'00" East, 6.85 feet to a point; thence

4. Paralleling the railroad siding South 15°08'00" West, 91.81 feet to a point; thence

5. North 74°52'00" East, 6.00 feet to a point; thence

6. Paralleling the railroad siding, South 15°08'00" West, 88.72 feet to a point; thence

7. South 74°52'00" West, 12.00 feet to a point; thence

8. Paralleling the railroad siding, South 15°08'00" West, 27.92 feet to a point; thence

9. North 74°51'00" East 12.00 feet to a point; thence

10. Paralleling the railroad siding, South 15°08'00" West, 126.47 feet to a point; thence

11. South 74°52'00" West, 20.02 feet to a point; thence

12. North 69°17'40" East, 43.28 feet to a point; thence

13. South 74°52'00" East, 86.73 feet to a point; thence

14. Paralleling the right-of-way of the lands of Sound Shore Branch of the Central Railroad of New Jersey, North 15°08'00" East, 265.00 feet to the point and place of BEGINNING.

The above-described tract includes .94 acres.

Being known and designated as Tax Lot 3.03 in Block 587 as shown on the Tax Map of the City of Linden.

The foregoing description is made in accordance with that certain Resubdivision Map of Lot 3 in Block 587 of the Tax Map of the City of Linden, Union County, New Jersey, into three lots prepared by Grassmann, Kreh and Mixer, Surveyors, of Union, New Jersey, which Subdivision Map was recorded on June 16, 1977 in the Office of the Register of Union County as Map No. 712-C.

Being part of those premises described in the Deed dated August 24, 1972 from GAF Corporation, a Delaware Corporation, to Linden Chlorine Products, Inc., a Delaware Corporation and the Grantor named herein, which Deed was recorded August 25, 1972 in Book 2954, at Page 273 in the Office of the Register, Union County, New Jersey.

\* \* \*

## New York Land

## Parcel I:

ALL THAT TRACT OR PARCEL OF LAND, situate in the Village of Solvay, Town of Geddes, County of Onondaga and State of New York, being part of Farm Lots 44, 45 and 46 of the Onondaga Salt Springs Reservation in said Town of Geddes, being all of lands conveyed by Stefan Duffy and Helen Duffy, his wife, to The Solvay Process Company by deed dated July 26, 1928 and recorded in Onondaga County Clerk's Office July 26, 1928 in Book of Deeds 594 at Page 147, being all of lands conveyed by Meyer L. Black and Rose Black, his wife, to The Solvay Process Company by deed dated September 24, 1931 in Book of Deeds 569 at Page 282, being part of lands conveyed by Turk's Island Coarse Salt Company to The Solvay Process Company by deed dated September 1, 1920 and recorded in Onondaga County Clerk's Office September 14, 1920 in Book of Deeds 483 at Page 314, being part of lands conveyed by Wilfred W. Porter and Genevieve O. Porter, his wife, to The Solvay Process Company by deed dated October 26, 1920 and recorded in Onondaga County Clerk's Office August 3, 1921 in Book of Deeds 502 at Page 20, being part of lands conveyed by Village of Solvay (A Municipal Corp.) to The Solvay Process Company by deed dated January 2, 1923 and recorded in Onondaga County Clerk's Office January 4, 1923 in Book of Deeds 502 at Page 401, being part of Parcels No. 525 and No. 526 in said deed, being part of lands conveyed by Village of Solvay (A Municipal Corp.) to The Solvay Process Company by deed dated October 29, 1925 and recorded in Onondaga County Clerk's Office November 17, 1925 in Book of Deeds 556 at Page 183, being part of lands conveyed by Atmospheric Nitrogen Corporation to The Solvay Process Company by deed dated November 18, 1925 and recorded in Onondaga County Clerk's Office November 19, 1925 in Book of Deeds 556 at Page 187, and being part of lands conveyed by Atmospheric Nitrogen Corporation to The Solvay Process Company by deed dated October 1, 1936 and recorded in Onondaga County Clerk's Office December 23, 1936 in Book of Deeds 820 at Page 49 and being more particularly described as follows:

BEGINNING at a point in the westerly street line of Bridge Street (Solvay-State Fair-Syracuse S.H. 1353)

marked by a New York State cut stone monument, designated as Station 6+19/66 feet west of a New York State Department of Transportation baseline as shown on Map No. 6 and designated Parcel No. 12, said monument marking the former southerly blue line of the Erie Canal, part of which now is the division line between lands of LCP Chemicals-New York, Inc. on the north and Niagara Mohawk Power Corporation on the south; running thence

1. North  $87^{\circ} 18' 00''$  West, along said division line a distance of 392.40 feet to a point; thence
2. South  $2^{\circ} 42' 00''$  West, along said division line between Allied Chemical Corporation and Niagara Mohawk Power Corporation, a distance of 42.61 feet to a point; thence
3. South  $67^{\circ} 31' 38''$  West, along said division line, a distance of 25.19 feet to a point; thence
4. South  $76^{\circ} 58' 30''$  West, along said division line, a distance of 348.06 feet to a point in the northerly street line of Mathews Avenue; thence
5. North  $79^{\circ} 06' 00''$  West, along said northerly street line of Mathews Avenue, a distance of 167.13 feet to a point of curvature in said street line; thence
6. Northerly following a curve to the right having a radius of 25 feet and is subtended by a central angle of  $102^{\circ} 10'$ , an arc distance of 44.58 feet to a point of tangency in the easterly boundary line of Belle Isle Road; thence
7. North  $23^{\circ} 04' 00''$  East, along said easterly boundary line, a distance of 203.84 feet to a point of curvature in said boundary line; thence
8. Northerly and westerly following a curve to the left having a radius of 175 feet and is subtended by a central angle of  $90^{\circ}$ , an arc distance of 274.89 feet to a point of tangency in the northerly boundary line of Belle Isle Road; thence

9. North  $66^{\circ} 56' 00''$  West, along said northerly boundary line, a distance of 1358.23 feet to a point being the southeast corner of John Wojcik lands; thence

10. North  $23^{\circ} 04' 00''$  East, along the division line between lands of LCP Chemicals-New York, Inc. on the east and John Wojcik on the west, a distance 140 feet to a point in the northwesterly line of Farm Lot 44 and also being the northeast corner of John Wojcik lands; thence

11. North  $59^{\circ} 14' 08''$  East along said line of Farm Lot 44, a distance of 166.26 feet to a point marked by an original Solvay Process Company concrete and brass monument; thence

12. North  $58^{\circ} 32' 00''$  East along said line of Farm Lot 44 and the northwesterly line of Farm Lot 45, a distance of 1338.76 feet to the northwest corner of said Farm Lot 45 and also being the southwest corner of Woltam Realty Co., Inc. lands marked by an original Solvay Process Company concrete and brass monument; thence

13. South  $31^{\circ} 54' 00''$  East along said northeasterly line of Farm Lot 45, and also being the southwesterly lands of said Woltam Realty Co., Inc., a distance of 875.58 feet to an iron rod property marker marking the northwest corner of lands conveyed to Chemtech Industries, Inc. as recorded in Book of Deeds 2526 at Page 519; thence

14. South  $53^{\circ} 31' 17''$  West, along the division line between LCP Chemicals-New York, Inc. on the west, Chemtech Industries, Inc. on the east, a distance of 255.17 feet to an iron rod property marker marking the southwest corner of said Chemtech Industries, Inc.; thence

15. South  $36^{\circ} 35' 53''$  East along said division line between LCP Chemicals-New York, Inc. on the southwesterly side and Chemtech Industries, Inc. on the northeasterly side, a distance of 335.69 feet to an angle point therein; thence

16. South 26° 41' 26" East along said division line, a distance of 364.54 feet to a point; thence

17. North 65° 32' 09" East, along said division line, a distance of 225.06 feet to a point in the westerly street line of Bridge Street (Solvay-State Fair-Syracuse S.H. No. 1353), said point being 1.92 feet southwesterly of a New York State cut stone monument designated as Station 10+45/67 feet west of a New York State Department of Transportation baseline as shown on Map No. 6 and designated as Parcel No. 12; thence

18. South 1° 54' 42" West, along said westerly street line of Bridge Street, a distance of 245.44 feet to a New York State cut stone monument, designated as Station 8+00/100 feet west of said State baseline as shown on Map No. 6 designated as Parcel No. 12; thence

19. South 22° 52' .41" East, along said westerly street line, a distance of 148.24 feet to a New York State cut stone monument designated as Station 6+55/50 feet west of said State baseline as shown on Map No. 6 designated as Parcel No. 12; thence

20. South 21° 16' 03" West, along said westerly street line of Bridge Street, a distance of 39.53 feet to a New York State cut stone monument designated as Station 6+19/66 feet west of said State baseline as shown on Map No. 6 designated as Parcel No. 12 and point of beginning, being 32.1451 acres of land more or less in said Town of Geddes and being 11.1199 acres of land more or less in said Village of Solvay.

TOGETHER WITH A PERMANENT RIGHT OF WAY over, across and under a strip of land 50 feet in width being 144 feet in length, for the purposes of maintaining a 24-inch canal water line from the canal to the northerly road boundary line of Belle Isle Road over.

ALL THAT TRACT OR PARCEL OF LAND situate in the Village of Solvay, Town of Geddes, County of Onondaga and State of New York, being part of Farm Lots 44, 45 and 46 of the Onondaga Salt Springs Reservation in said Town of Geddes and being part of lands conveyed by Village of

Solvay to The Solvay Process Company by Deed dated January 2, 1923 and recorded in Onondaga County Clerk's Office January 4, 1923 in Book of Deeds 502 at page 401, being more particularly described as follows:

BEGINNING at a point in the northerly road boundary line of Belle Isle Road, said point being westerly N 66° 56' 00" W, a distance of 233 feet, as measured along said northerly road boundary line of Belle Isle Road, from the point of tangency of the easterly road boundary line of Belle Isle Road as referenced in Book of Deeds 556 at Page 187 of lands conveyed to The Solvay Process Company; running thence

(a) S 23° 04' 00" W, a distance of 144 feet to a point; thence

(b) N 66° 56' 00" W, a distance of 50 feet to a point; thence

(c) N 23° 04' 00" E, a distance of 144 feet to a point in the northerly road boundary line of Belle Isle Road, thence

(d) S 66° 56' 00" E, along said northerly road boundary line, a distance of 50 feet to the point of beginning.

That portion of the above described premises lying within the confines of Belle Isle Road, being 66 feet in width, is subject to the rights of the public to use the same for street and highway purposes.

TOGETHER WITH A PERMANENT RIGHT OF WAY over the property over the adjacent property owned by Allied Chemical Corporation to use, maintain, repair and replace an existing 8 inch water pipe line between the improvements situated on Parcel I and the water main of the Onondaga County Water Department located east of Bridge Street (Solvay-State Fair-Syracuse S.H. No. 1353).

SUBJECT, HOWEVER, TO A PERMANENT RIGHT OF WAY RESERVED by Allied Chemical Corporation to be used for constructing, operating, maintaining, repairing, altering, replacing and removing waste lines and providing a service road along said waste lines, described as follows:

BEGINNING at a point in the westerly street line of Bridge Street (Solvay-State Fair-Syracuse S.H. No. 1353) said point being North 22° 52' 41" West, as measured along said westerly street line of Bridge Street, a distance of 51.92 feet from a New York State cut stone monument designated as Station 6+55/50 feet west of a State baseline as shown on Map No. 6 designated as Parcel No. 12; running thence

(A) North 89° 18' 40" West, a distance of 187.41 feet to a point; thence

(B) North 56° 48' 25" West, a distance of 127.86 feet to a point; thence

(C) North 38° 13' 14" West, a distance of 101.83 feet to a point; thence

(D) North 33° 10' 58" West, a distance of 322.48 feet to a point; thence

(E) North 36° 22' 46" West, a distance of 1289.07 feet to a point in the northwesterly line of Farm Lot 45; thence

(F) North 58° 32' 00" East, along said northwesterly line of Farm Lot 45, a distance of 33.12 feet to a point; thence

(G) South 36° 22' 46" East, a distance of 1286.23 feet to a point; thence

(H) South 47° 03' 14" East, a distance of 583.71 feet to a point; thence

(I) North 87° 40' 30" East, a distance of 60.48 feet to a point in the westerly street line of Bridge Street; thence

(J) South 22° 52' 41" East, as measured along said westerly street line, a distance of 50.45 feet to the point of beginning.

SUBJECT FURTHER TO A PERMANENT RIGHT OF WAY RESERVED by Allied Chemical Corporation to be used for maintaining an existing 30 inch pipeline located thereon to

supply canal water to the plant owned by Allied Chemical Corporation east of Bridge Street, and to enter onto said right of way to reconstruct, operate, maintain, repair, alter and remove this 30 inch pipeline and replace it with a larger or smaller pipeline or with a pipeline of the same size to supply canal water to the plant of Allied Chemical Corporation, said right of way being described as follows:

A strip of land 50 feet in width, being 25 feet each side of the center line of said 30 inch pipeline, beginning in the easterly boundary line of Belle Isle Road and extending easterly to the westerly street line of Bridge Street (Solvay-State Fair-Syracuse S.H. 1353) as shown on a survey map dated June 18, 1979 prepared for Allied Chemical Corporation by William A. Nicolini, licensed as a Land Surveyor by the State of New York.

Parcel II:

ALL THAT TRACT OR PARCEL OF LAND, situate in the Village of Solvay, Town of Geddes and Town of Camillus, County of Onondaga and State of New York, being part of Farm Lots 31, 37, 38, 39, 40 and 44 of the Onondaga Salt Springs Reservation in said Town of Geddes and being part of Farm Lot 69 in said Town of Camillus, being part of lands conveyed by William A. Gere and Carrie M. Gere (his wife) and J. Brewster Gere and Hattie M. Gere (his wife) to the Solvay Process Company by Deed dated October 18, 1920 and recorded in Onondaga County Clerk's Office August 3, 1921 in Book of Deeds 502 at page 17, being part of lands conveyed by Wilfred W. Porter and Genevieve O. Porter (his wife) to The Solvay Process Company by Deed dated October 26, 1920 and recorded in Onondaga County Clerk's Office August 3, 1921 in Book of Deeds 502 at page 20, being part of lands conveyed by Keene Coughlin to The Solvay Process Company by Deed dated October 25, 1920 and recorded in Onondaga County Clerk's Office August 3, 1921 in Book of Deeds 502 at page 23, being part of lands conveyed by Peter J.B. Smith and Mary G. Smith (his wife) to The Solvay Process Company by Deed dated October 27, 1920 and recorded in Onondaga County Clerk's Office August 3, 1921 in Book of Deeds 502 at page 24, being all of lands conveyed by Wilfred W. Porter and Genevieve O. Porter (his wife) to The Solvay Process Company by Deed dated December 4, 1925 and recorded in Onondaga County Clerk's Office December 7, 1925 in Book of Deeds 556 at page 198, being all of lands

conveyed by Joseph Duda and Anna Duda (his wife) to The Solvay Process Company by Deed dated November 4, 1926 and recorded in Onondaga County Clerk's Office November 8, 1926 in Book of Deeds 556 at page 565, being all of lands conveyed by Denis Sawka and Zofij Sawka (his wife) to The Solvay Process Company by Deed dated February 17, 1927 and recorded in Onondaga County Clerk's Office February 18, 1927 in Book of Deeds 578 at page 47, being part of lands conveyed by The New York Central Railroad Company to The Solvay Process Company by Deed dated April 19, 1927 and recorded in Onondaga County Clerk's Office May 5, 1927 in Book of Deeds 578 at page 137, being all of lands conveyed by Wilfred W. Porter and Genevieve O. Porter (his wife) to The Solvay Process Company by Deed dated October 26, 1927 and recorded in Onondaga County Clerk's Office November 9, 1927 in Book of Deeds 578 at page 413, being all of lands conveyed by Frank Kapusniak and Jozefa Kapusniak (his wife) to The Solvay Process Company by Deed dated July 28, 1928 and recorded in Onondaga County Clerk's Office July 30, 1928 in Book of Deeds 594 at page 152, being all of lands conveyed by Robert Benedetti and Angelina Benedetti (his wife) to The Solvay Process Company by Deed dated August 26, 1930 and recorded in Onondaga County Clerk's Office August 28, 1930 in Book of Deeds 631 at page 117, being part of lands conveyed by Atmospheric Nitrogen Corporation to The Solvay Process Company by Deed dated October 1, 1936 and recorded in Onondaga County Clerk's Office December 23, 1936 in Book of Deeds 820 at page 49, being all of lands conveyed by Eva Bruzdinski to The Solvay Process Company by Deed dated May 26, 1941 and recorded in Onondaga County Clerk's Office May 26, 1941 in Book 967 of Deeds at page 522, being all of lands conveyed by Sophie Szemczk to The Solvay Process Company by Deed dated October 27, 1955 and recorded in Onondaga County Clerk's Office October 28, 1955 in Book of Deeds 1778 at page 105, and being all of lands conveyed by John Markow and Frances Markow (his wife) to Allied Chemical Corporation by Deed dated February 27, 1974 and recorded in Onondaga County Clerk's Office November 8, 1974 in Book of Deeds 2543 at page 121; and being more particularly described as follows:

BEGINNING at a point in the northerly road boundary line of Belle Isle Road at the southwesterly corner of lands reputedly owned by John Wojcik as recorded in Book of Deeds 527 at page 86, said point of beginning also being westerly North 66° 56' 00" West, a distance of

1403.23 feet, as measured along said northerly road boundary line of Belle Isle Road, from the point of tangency of the easterly road boundary line of Belle Isle Road as referenced in Book of Deeds 556 at page 187 of lands conveyed to The Solvay Process Company; running thence.

1. North  $66^{\circ} 56' 00''$  West, along the northerly road boundary line of Belle Isle Road, a distance of 99.77 feet to an angle point therein; thence

2. North  $66^{\circ} 09' 10''$  West, along said northerly road boundary line, a distance of 325.23 feet to the southeasterly corner of lands reputedly owned by Edward Malys and Anna R. Malys as recorded in Book of Deeds 2041 at page 635; thence

3. North  $23^{\circ} 50' 50''$  East, along said easterly line of Malys, a distance of 140 feet to a point; thence

4. North  $66^{\circ} 09' 10''$  West, parallel with the northerly road boundary line of Belle Isle Road and along the northerly lines of lands reputedly owned by Edward Malys and Anna R. Malys, Frank Polack and Stanley Kapuscinski, a distance of 160 feet to a point; thence

5. South  $23^{\circ} 50' 50''$  West, along the westerly line of lands reputedly owned by Stanley Kapuscinski as recorded in Book of Deeds 2395 at page 1070, a distance of 140 feet to a point in the northerly road boundary line of Belle Isle Road; thence

6. North  $66^{\circ} 09' 10''$  West, along the northerly road boundary line of Belle Isle Road, a distance of 100 feet to the southeasterly corner of lands reputedly owned by Josephine Neufang, et al, as recorded in Book of Deeds 2617 at page 113; thence

7. North  $23^{\circ} 50' 50''$  East, along said easterly line of Neufang, a distance of 140 feet to a point; thence

8. North  $66^{\circ} 09' 10''$  West, parallel with the northerly road boundary line of Belle Isle Road and

along said northerly line of Neufang, a distance of 50 feet to a point in the easterly line of lands reputedly owned by John Markow and Frances Markow as recorded in Book of Deeds 2543 at page 118; thence

9. North  $22^{\circ} 50' 06''$  East, along said easterly line of Markow, a distance of 470.25 feet to a point; thence

10. North  $66^{\circ} 44' 55''$  West, along said northerly line of Markow, a distance of 311.42 feet to a point in the easterly line of lands reputedly owned by Frances Markow and John Markow as recorded in Book of Deeds 1820 at page 375; thence

11. North  $23^{\circ} 04' 00''$  East, along said easterly line of Markow, a distance of 500 feet to a point; thence

12. North  $66^{\circ} 49' 15''$  West, along said northerly line of Markow, a distance of 346.50 feet to a point; thence

13. South  $23^{\circ} 04' 00''$  West, along said westerly line of Markow, a distance of 1018.09 feet to a point; thence

14. North  $66^{\circ} 30' 09''$  West, parallel with the northerly road boundary line of Belle Isle Road and along the northerly line of lands reputedly owned by Nicholas Kazel as recorded in Book of Deeds 1594 at page 458 and lands of Frank Kotash, a distance of 188.76 feet to a point; thence

15. South  $23^{\circ} 04' 00''$  West, along said westerly line of Kotash, a distance of 108.90 feet to a point in the northerly road boundary line of Belle Isle Road; thence

16. North  $66^{\circ} 30' 09''$  West, along the northerly road boundary line of Belle Isle Road, a distance of 235.42 feet to a point in the easterly line of lands reputedly owned by Michael Sawka and Helen F. Sawka as recorded in Book of Deeds 1844 at page 229; thence

17. North 23° 17' 51" East, along said easterly line of Sawka, a distance of 166.32 feet to the southerly line of said Sawka lands; thence

18. South 66° 42' 09" East, along Sawka's southerly line, a distance of 23.76 feet to a point; thence

19. North 23° 17' 51" East, along said easterly line of Sawka, a distance of 179.52 feet to a point; thence

20. North 10° 17' 51" East, along said easterly line of Sawka, a distance of 84.48 feet to a point; thence

21. North 21° 18' 36" East, along said easterly line of Sawka, a distance of 149.80 feet to a point; thence

22. North 32° 27' 40" West, along the northeasterly line of Sawka lands and lands reputedly owned by Paul A. Smith and Anna P. Smith and Walter Jablonski as recorded in Book of Deeds 2257 at page 419, a distance of 302.28 feet to the center line of Horan Road (formerly Lakeside Road); thence

23. North 57° 30' 40" East, along the center line of Horan Road, a distance of 28.38 feet to a point; thence

24. North 32° 27' 40" West, along the northeasterly line of lands reputedly owned by James L. Chapman and Donna E. Chapman as recorded in Book of Deeds 2453 at page 1059 and lands reputedly owned by Charles A. Smith and Irene F. Smith as recorded in Book of Deeds 2611 at page 131, a distance of 471.94 feet which passes through a New York State cut stone monument designated at Station A 82 + 26.94/298.09 feet southeasterly of a New York State Department of Transportation base line as shown on Map No. 43 and designated as Parcel No. 66, said monument marking the southeasterly corner of a Permanent Easement for Stream Channel; thence

25. South  $57^{\circ} 34' 45''$  West, along said westerly line of Smith, a distance of 25.77 feet to a point in the easterly boundary line of the Fairmount-State Fair State Highway No. 132; thence

26. North  $36^{\circ} 50' 27''$  East, along said easterly highway boundary line, a distance of 253.51 feet to the southwesterly line of Consolidated Rail Corporation lands, marked by a New York State cut stone monument designated as Station A 84 + 76.61/219.67 feet northwesterly of a New York State Department of Transportation base line as shown on Map No. 43 and designated as Parcel No. 65, said point being distant southwesterly 66 feet at right angles from the monumented center line of the Railroad Company lands; thence

27. South  $71^{\circ} 22' 25''$  East, along the southwesterly line of lands reputedly owned by Consolidated Rail Corporation (through receivership of the former lands of New York Central Railroad and/or Penn Central Railroad Company), said property line being distant southwesterly 66 feet at right angles from the monumented center line of the Railroad Company lands, a distance of 1744.51 feet to a point; thence

28. North  $58^{\circ} 47' 35''$  East, along said Consolidated Rail Corporation line, a distance of 21.59 feet to a point being distant southwesterly 49.50 feet at right angles from the monumented center line of the Railroad Company lands; thence

29. South  $71^{\circ} 22' 25''$  East, along said southwesterly line of Consolidated Rail Corporation lands, said property line being distant southwesterly 49.50 feet at right angles from the monumented center line of the Railroad Company lands, a distance of 1693.17 feet to a point where the southwesterly line of Consolidated Rail Corporation is intersected by the southeasterly line of Farm Lot 40; thence

30. South  $58^{\circ} 32' 00''$  West, along said southeasterly line of Farm Lot 40 and along the northwesterly line of lands reputedly owned by Woltam Realty Co., Inc. as recorded in Book of Deeds 2096 at

page 327, a distance of 221.41 feet to a point marked by an original Solvay Process Company concrete and brass monument; thence

31. South  $58^{\circ} 32' 00''$  West, continuing along the southeasterly line for Farm Lot 40, a distance of 1338.76 feet to a point marked by an original Solvay Process Company concrete and brass monument; thence

32. South  $59^{\circ} 14' 08''$  West, along the southeasterly line of Farm Lot 39, a distance of 166.26 feet to the northeasterly corner of lands reputedly owned by John Wojcik as recorded in Book of Deeds 527 at page 86; thence

33. North  $66^{\circ} 56' 00''$  West, parallel with the northerly road boundary line of Belle Isle Road and along said northerly line of Wojcik, a distance of 45 feet to a point; thence

34. South  $23^{\circ} 04' 00''$  West, along said westerly line of Wojcik, a distance of 140 feet to a point in the northerly road boundary line of Belle Isle Road and point of beginning.

SUBJECT TO A PERMANENT RIGHT OF WAY RESERVED by Allied Chemical Corporation along and across said Horan Road, being a strip 60 feet in width, for the purposes of maintaining a service road entrance for access to waste line pipes and property west of the Fairmount-State Fair State Highway No. 132, and to be used by the Town of Geddes for highway purposes, said Permanent Right of Way to be operative with respect to Allied Chemical Corporation in the event the Town of Geddes will or already has abandoned said portion of Horan Road, and being more particularly described as follows:

BEGINNING at a point in the center line of Horan Road where it is intersected by the most southwesterly line of said lands above described; running thence

(A) North  $57^{\circ} 30' 40''$  East, along said center line of Horan Road, a distance of 28.38 feet to a point; thence

(B) North 32° 27' 40" West, a distance of 30 feet to a point; thence

(C) North 57° 30' 40" East, along the northwesterly road boundary line of Horan Road, a distance of 640.23 feet to the southwesterly line of Consolidated Rail Corporation; thence

(D) South 71° 22' 25" East, along said southwesterly line, a distance of 77.08 feet to a point; thence

(E) South 57° 30' 40" West, along the southeasterly road boundary line of Horan Road, a distance of 717.03 feet to a point ; thence

(F) North 32° 27' 40" West, a distance of 30 feet to the center line of Horan Road and point of beginning. Said premises, less said exception containing 65.3785 acres of land, more or less.

TOGETHER WITH the right to use, in common with Allied Chemical Corporation, its successors and assigns, the permanent easement to transmit waters, fluids, liquids or gases as reserved to Allied Chemical Corporation over a parcel shown as Parcel No. 65 on New York State Department of Transportation Map No. 43 in the appropriation by the People of the State of New York by Notice of Appropriation to Allied Chemical Corporation, Niagara Mohawk Power Corporation, New York Telephone Company, Charles Clark, Clara Clark, Willie Banks and Erlene Banks, dated April 19, 1971 and recorded April 19, 1971 in the Onondaga County Clerk's office in Book of Deeds 2448, page 618 etc.

SUBJECT FURTHER TO PERMANENT RIGHT OF WAY RESERVED by Allied Chemical Corporation to be used for constructing, operating, maintaining, repairing, altering, replacing and removing each of six waste line pipes, providing a service road along said waste lines and maintaining and operating a flume monitoring station (concrete block building, weir and cross walk) described as follows:

BEGINNING at a point in the southeasterly line of Farm Lot 40, said point being South 58° 32' 00" West, a distance of 486.22 feet from an original Solvay Process Company concrete and brass monument marking the point where

Farm Lots 45 and 47 meet said southeasterly line of Farm Lot 40; running; thence

(a) South  $58^{\circ} 32' 00''$  West, along said southeasterly line of Farm Lot 40, a distance of 33.12 feet to a point; thence

(b) North  $36^{\circ} 22' 46''$  West, a distance of 46.18 feet to a point; thence

(c) North  $57^{\circ} 29' 07''$  West, a distance of 1912.40 feet to a point; thence

(d) North  $71^{\circ} 46' 50''$  West, a distance of 399.19 feet to a point; thence

(e) North  $71^{\circ} 25' 43''$  West, a distance of 705.82 feet to a point in the easterly boundary line of the Fairmount-State Fair State Highway No. 132; thence

(f) North  $36^{\circ} 50' 27''$  East, along said easterly highway boundary line, a distance of 34.75 feet to a point; thence

(g) South  $71^{\circ} 25' 43''$  East, a distance of 694.55 feet to a point; thence

(h) South  $71^{\circ} 46' 50''$  East, a distance of 403.49 feet to a point; thence

(i) South  $57^{\circ} 29' 07''$  East, a distance of 1831 feet to a point; thence

(j) North  $27^{\circ} 49' 45''$  East, a distance of 121.83 feet to a point; thence

(k) South  $62^{\circ} 10' 15''$  East, a distance of 121.04 feet to a point; thence

(l) South  $27^{\circ} 49' 45''$  West, a distance of 143.65 feet to a point; thence

(m) South  $36^{\circ} 22' 46''$  East, a distance of 22.23 feet to the southeasterly line of Farm Lot 40, and point of beginning.

Title to the waste pipe lines, the flume monitoring station, and the 30 inch pipeline, or any replacements thereof, lying within the right of way described above has been reserved by Allied Chemical Corporation.

SUBJECT FURTHER TO A PERMANENT RIGHT OF WAY RESERVED by Allied Chemical Corporation to be used for maintaining a 20 inch pipe line used for supplying water from Nine Mile Creek to the canal, being described as follows:

A strip of land 50 feet in width, being 25 feet each side of the center line of said 20 inch pipe line: BEGINNING in the southerly line of Belle Isle Road and extending northerly and northwesterly to Horan Road; thence continuing northwesterly and remaining easterly of Geddes Brook, continuing in a northerly direction to an approximate point just south of six waste line; thence westerly to and across the Fairmount-State Fair State Highway No. 132, as shown on a survey map dated September 4, 1979 prepared for Allied Chemical Corporation by William A. Nicolini, licensed as a land surveyor by the State of New York.

PARCEL III:

ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Geddes, County of Onondaga and State of New York, being part of Farm Lot 50 of the Onondaga Salt Springs Reservation in said Town of Geddes, being all of lands conveyed by Fred A. Ballard to Allied Chemical and Dye Corporation by Deed dated June 16, 1952 and recorded in the Onondaga County Clerk's Office June 17, 1952 in Book of Deeds 1568 at Page 437, the tie in bearings and distances to the original point of beginning being changed because of New York State Department of Transportation acquisition of additional lands along the westerly side of Bridge Street (Solvay State Fair Syracuse State Highway No. 1353) and being more particularly described as follows:

BEGINNING at a point in the easterly road boundary line of said Bridge Street, said point of beginning being located from a point in the westerly road boundary line of said Bridge Street where the division line between lands of Chemtech Industries, Inc. on the north and lands formerly

owned by Allied Chemical Corporation on the south meet said westerly road boundary line of Bridge Street the following bearings and distances: South 1° 54' 42" West, as measured along said westerly road boundary line of Bridge Street, a distance of 18.32 feet; and North 64° 36' 18" East, a distance of 95.35 feet; running thence

1. From said point of beginning North 64° 36' 18" East, parallel to the northerly line of property of the Niagara Mohawk Power Corporation, a distance of 421.06 feet more or less to a point in the westerly line of the 75 foot strip of land conveyed to Fred D. Corey by William G. Cady, et al by Deed dated July 22, 1907 and recorded in the Onondaga County Clerk's Office in Book of Deeds 368 at Page 237; thence

2. South 25° 23' 42" East, along said 75 foot strip of land, a distance of 25 feet to a point marking the northeasterly corner of the 25 foot strip of land conveyed to Niagara, Lockport and Ontario Power Company by William M. Ballard, Inc. by Deed dated November 13, 1926 and recorded in said Onondaga County Clerk's Office in Book of Deeds 594 at Page 332; thence

3. South 64° 36' 18" West, along the northerly line of said 25 foot strip of land conveyed to said Power Company by said Deed dated November 13, 1926 a distance of 429.93 feet, more or less to the easterly line of Bridge Street; thence North 5° 50' West, along the easterly line of Bridge Street, a distance of 26.53 feet to the point of beginning, containing 0.244 acres of land, more or less.

TOGETHER WITH a Permanent Right or Easement to construct, maintain, operate, repair and remove a railroad spur or side track on, over and across the following described parcel of land, viz:

ALL THAT TRACT OR PARCEL OF LAND, situate in the Town of Geddes, County of Onondaga and State of New York, being part of Farm Lot 50 of the Onondaga Salt Springs Reservation in said Town of Geddes and being part of lands conveyed by Syracuse Transit Corporation to Niagara Mohawk Power Corporation by Deed dated July 30, 1951 and recorded in the Onondaga County Clerk's Office September 5, 1951 in

Book of Deeds 1524 at Page 323, and being more particularly described as follows:

BEGINNING at the northeast corner of a parcel of land conveyed to Allied Chemical and Dye Corporation by Deed recorded in the Onondaga County Clerk's Office in Book of Deeds 1568 at Page 437, and being Parcel III above described; running thence

(A) North  $64^{\circ} 36' 18''$  East, a distance of 75 feet more or less to the easterly boundary line of lands conveyed to Niagara Mohawk Power Corporation by Deed recorded in the Onondaga County Clerk's Office in Book of Deeds 1524 at Page 323; thence

(B) Southeasterly along said easterly boundary line, a distance of 25 feet more or less to a point; thence

(C) South  $64^{\circ} 36' 18''$  West, a distance of 75 feet more or less to the southeast corner of a parcel of land conveyed to said Allied Chemical and Dye Corporation; thence

(D) North  $25^{\circ} 23' 42''$  West along said easterly line of Allied Chemical and Dye Corporation, a distance of 25 feet to the point of beginning.

SCHEDULE E

North Carolina Land

ALL that certain lot, tract or parcel of land situate, lying and being in the Township of Ransom, County of Columbus and State of North Carolina, described as follows:

THE PLANT SITE (the "Plant"):

ALL THAT 26.26 acre tract of land conveyed to LCP Chemicals--North Carolina, Inc. by Allied Chemical Corporation which was originally conveyed to Allied Chemical Corporation by Riegel Paper Corporation by deed dated August 15, 1963, recorded in Book 235 at page 555, in the Office of Register of Deeds of Columbus County but being particularly described by a new survey and map thereof entitled "Solvay Process Division--Allied Chemical Corporation" made and prepared by David B. Goldston, Jr., R.L.S., dated July 9, 1979, revised September 12, 1979, as same is recorded in Plat Book 27 at pages 36 and 37 in the Office of the Register of Deeds, which map is in all respects incorporated herein and made a part of this description.

TOGETHER WITH all right, title and interest of LCP Chemicals--North Carolina, Inc. in and to that certain right of way and easement granted pursuant to that Right of Way Grant and Agreement between Federal Paper Board Co., Inc. and Allied Chemical Corporation, dated December , 1979, recorded in Deed Book at Page in the Office of said Register of Deeds.

The location of the presently used right of way is shown on the map above referred to (Plat Book 27 at pages 36 and 37) and extends twenty-five (25) feet on either side of the hereinafter described centerline which said right of way is hereby assigned and transferred not inconsistent with the rights and privileges granted in the agreement referred to. The centerline is described as follows:

Being known and designated as the existing Allied Chemical (Solvay Road); BEGINNING at a nail and cap located at the intersection of the centerline of the aforesaid existing Allied Chemical (Solvay Road) with the centerline of SR 1817, locally known as the Mill Access Road from

Highway No. 87, and proceed along the centerline of the existing Allied Chemical (Solvay Road) the following courses and distances:

1. South 68°-14'-51" East, 320.88 feet; thence
2. South 82°-47'-40" East, 56.41 feet; thence
3. North 68°-14'-42" East, 55.08 feet; thence
4. North 42°-05'-48" East, 52.25 feet; thence
5. North 28°-38'-22" East, 500.93 feet; thence
6. North 28°-38'-29" East, 52.23 feet; thence
7. South 62°-32'-15" East, 12.12 feet; thence
8. South 62°-31'-16" East, 331.41 feet; thence
9. South 85°-08' East, 39.31 feet; thence
10. North 76°-27'-26" East, 100.29 feet; thence
11. North 73°-09'-30" East, 610.13 feet; thence
12. North 67°-22'-41" East, 140.71 feet; thence
13. North 55°-20'-22" East, 209.93 feet; thence
14. North 50°-42'-51" East, 615.52 feet; thence
15. North 36°-14'-15" East, 138.89 feet; thence
16. North 12°-55'-59" East, 102.33 feet; thence
17. North 04°-45'-56" West, 99.97 feet; thence
18. North 10°-21'-14" West, 99.50 feet; thence
19. North 12°-18'-29" West, 269.84 feet; thence
20. North 19°-18'-01" West, 102.63 feet; thence
21. North 30°-45'-28" West, 126.08 feet; thence
22. North 03°-18'-39" East, 55.51 feet; thence
23. North 27°-59'-13" East, 271.02 feet; thence
24. North 11°-02'-40" East, 74.60 feet; thence
25. North 31°-36'-02" East, 74.64 feet; thence
26. North 23°-34'-14" East, 19.41 feet; to a

point in the Southern boundary line of the Plant site, said point being located South 38°-44' East, 386.06 feet from an iron pipe marking the Southwestern corner of the aforesaid Plant site.

All bearings being based on the Federal Paperboard North-South coordinate line as being North 27°-53' East.

TOGETHER WITH all right, title and interest of LCP Chemicals--North Carolina, Inc. to the existing railroad serving the Plant and an easement for the purpose of making use of said railroad pursuant to that Right of Way Grant and Agreement between Federal Paper Board Co., Inc. and Allied Chemical Corporation, dated December , 1979,

recorded in Deed Book        at Page        in the Office of said register of Deeds, such railroad and easement being located on the lands lying not more than twenty-five (25) feet on either side of the centerline of said existing railroad; said centerline being described as follows:

BEGINNING at the point of switch of the existing railroad that serves the Plant from the main line of the existing railroad into the Federal Paperboard plant, said point of switch as per Federal Paperboard coordinate system, bearing coordinates of S=1108.06 and E=2.53; running thence

1. From said beginning point of switch and leaving the main line of the railroad serving Federal Paperboard North 33°-36'-55" East, 95.97 feet; thence

2. North 46°-04'-27" East, 76.38 feet; thence
3. North 55°-37'-55" East, 78.16 feet; thence
4. North 64°-58'-58" East, 79.38 feet; thence
5. North 70°-00'-49" East, 82.20 feet; thence
6. North 72°-59'-37" East, 694.02 feet; thence
7. North 69°-54'-10" East, 92.34 feet; thence
8. North 60°-26'-58" East, 65.75 feet; thence
9. North 52°-36'-53" East, 72.40 feet; thence
10. North 42°-42'-02" East, 88.61 feet; thence
11. North 32°-17'-53" East, 88.21 feet; thence
12. North 27°-53' East, 1814.94 feet to a point

in the Southern boundary line of the Plant, said point being located in curve no. 1, said point being located South 47°-48' East 24.93 feet from the P.C. of said curve no. 1; said P.C. of curve no. 1 being located South 38°-44' East 479.45 feet from an iron pipe marking the Southwestern corner of the Plant site.

Reference is made to a map entitled "Boundary Survey for Solvay Processing Division, Allied Chemical Corporation Caustic--Chlorine Plant, Acme, North Carolina", dated July 9, 1979, revised September 12, 1979, and prepared by David B. Goldston, Jr., R.L.S., as same is recorded in Plat Book 27 at pages 36 and 37, Office of the Register of Deeds of Columbus County.

All bearings being based on the Federal Paperboard North-South coordinate line as being North 27°-53' East.

Together with all rights that LCP Chemicals-North Carolina, Inc. has to make use of adjacent sidings to the main line herein described.

SCHEDULE F

Ohio Land

All those certain lots, tracts or parcels of land situate, lying and being in the Township of Center, County of Carroll and State of Ohio, bounded and described as follows:

PARCEL I:

Known as and being a part of the Southwest Quarter of Section 32, Township 14, Range 5 and further described as follows:

BEGINNING 324 feet west of the northeast corner of said quarter section; thence

1. South 9° East, 592.0 feet to an iron pin; thence
2. North 88° West, 190.0 feet to an iron pin; thence
3. North 9° West, 130.0 feet to an iron pin; thence
4. North 88° West, 343.94 feet to an iron pin; thence
5. North 5° West, 330.0 feet to an iron pin; thence
6. North 1° East, 137.28 feet to an iron pin; thence
7. South 88° East, 491.7 feet to the iron pin designating the point and place of Beginning.

The above Parcel contains an area of 6.02 acres more or less.

EXCEPTING FROM PARCEL I DESCRIBED ABOVE the following two described tracts:

TRACT 1:

Situated in the Township of Center, County of Carroll, State of Ohio and known as and being a part of the Southwest Quarter of Section 32, Center Township, Carroll County, Ohio and being further bounded and described as follows:

BEGINNING at the Northeast corner of the Southwest Quarter of Section 32; thence

(A) North 88°-00' West and along the north line of said quarter section a distance of 324.00 feet to a point; thence

(B) South 9°-00' East, 299.56 feet to the true place of Beginning for the tract of land herein being described; thence

(C) Continuing South 9°-00' East, 162.44 feet to an iron pin; thence

(D) North 88°-00' West, 190.00 feet to an iron pin; thence

(E) North 0°-06' East, 134.12 feet to an iron pin; thence

(F) North 83°-10' East, 165.42 feet to the true place of Beginning.

The tract described above contains 0.601 acres of land as surveyed by Buckeye Surveying, Nick Guerriere, Registered Surveyor #5844.

TRACT 2:

Situated in the Township of Center, County of Carroll and State of Ohio and known as and being a part of the Southwest Quarter of Section 32, Center Township, Carroll County, Ohio and being further bounded and described as follows:

BEGINNING at the northeast corner of the Southwest Quarter of Section 32; thence

(A) North 88° West and along the north line of said Quarter Section, 324 feet to a point; thence

(B) South 9° East, 592 feet to the true place of Beginning for the tract of land herein described; thence

(C) North 88° West, 190 feet to an iron pin;  
thence

(D) North 9° West 130 feet to an iron pin, thence

(E) South 88° East, 190 feet to an iron pin;  
thence

(F) South 9° East, 130 feet to the iron pin  
marking the place of Beginning.

The tract described above contains 24,700 square feet of land more or less.

The two excepted tracts of land described above were conveyed to Bradley J. Lewis and Glenn R. Lewis by an instrument recorded May 21, 1979 in volume 198, page 264 in the Office of the Recorder of Carroll County, Ohio.  
PARCEL II (Leasehold Estate Only):

Known as and being a part of the Southwest Quarter of Section 32, Township 14, Range 5 and further described as follows:

BEGINNING for the same at a point 4.34 chains west from the southeast corner of said Quarter Section;  
thence

1. With the quarter line North 85°-04'-00" West, 7.91 chains to the east right of way line of the Wheeling & Lake Erie Railroad; thence

2. Along the said east right-of-way line North 8°-50'-00" East, 3.33 chains; to a point; thence

3. North 23°-20'-00" East, 2.0 chains to a point; thence

4. North 25°-50'-00" East, 2.0 chains to a point; thence

5. North 38°-20'-00" East 2.88 chains to the south boundary line of the C. T. Shreve property; thence

6. South  $73^{\circ}-55'-00''$  East along the said south boundary line a distance of 6.5 chains to the center of State Route #35 at a point 10 feet south of the culvert; thence

7. South  $16^{\circ}-05'-00''$  West along the center of State Route #35 a distance of 8.4 chains to the place of Beginning.

The parcel described above contains 7.051 acres more or less, but is subject to all legal highways. State Route #35 is now known as State Route #9.

\* \* \*

13637

Schedule G

List of Railroad Tank Cars

| <u>Number of<br/>Units<br/>Per Group</u> | <u>Identifying Marks</u> |           |
|--|--------------------------|-----------|
|  | <u>From</u>              | <u>To</u> |
| 1  | ACDX067006               |           |
| 1  | ACDX068085               |           |
| 1  | ACDX068089               |           |
| 1  | ACDX068250               |           |
| 1  | ACDX068260               |           |
| 2  | ACDX068264               | 068265    |
| 1  | ACDX068270               |           |
| 1  | ACDX068275               |           |
| 1  | ACDX068292               |           |
| 4  | ACDX068295               | 068298    |
| 5  | ACDX068302               | 068306    |
| 1  | ACDX068308               |           |
| 2  | ACDX068313               | 068314    |
| 1  | ACDX068316               |           |
| 1  | ACDX068320               |           |
| 2  | ACDX068322               | 068323    |
| 1  | ACDX068326               |           |
| <u>27</u>                                |                          |           |

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LCP CHEMICALS & PLASTICS, INC.

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FINANCING AGREEMENT  
dated as of April 26, 1982

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MANUFACTURERS HANOVER TRUST COMPANY

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA

MIDLANTIC NATIONAL BANK

MANUFACTURERS HANOVER TRUST COMPANY,  
as Agent

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FINANCING AGREEMENT, dated as of April 26, 1982, among: (i) LCP CHEMICALS & PLASTICS, INC., a Delaware corporation formerly known as "Linden Chemicals & Plastics, Inc." and successor by merger to certain of the corporations more fully described on Schedule 1 (the "Company"); (ii) MANUFACTURERS HANOVER TRUST COMPANY ("MHT"), THE PRUDENTIAL INSURANCE COMPANY OF AMERICA ("Prudential"), MIDLANTIC NATIONAL BANK ("Midlantic"; collectively, the "Lenders" and individually, a "Lender"); and (iii) MANUFACTURERS HANOVER TRUST COMPANY, as agent for the Lenders hereunder (in such capacity, the "Agent").

PRELIMINARY STATEMENT

1. The Company has acquired a number of electrochemical and plastics manufacturing plants (and related assets) over the past five years.

(a) In 1979, the Company purchased from Allied Corporation (as more fully defined below, "Allied") certain plants (see items 1, 3 and 10 on Schedule 2) located in three states; the purchase price thereof was financed by loans made by Prudential and MHT and by a seller's credit from Allied. The subsidiaries of the Company which held and operated such plants are described in Schedule 2.

(b) In 1980, the Company purchased from Allied a plant located in Moundsville, West Virginia; the purchase price thereof was financed by a seller's credit from Allied to LCP Chemicals-West Virginia, Inc., a subsidiary of the Company which owns and operates such plant.

(c) In 1981, the Company acted through a subsidiary to acquire: (i) all of the issued and outstanding shares of the capital stock of Tridyn Industries, Inc., a North Carolina corporation now known as "LCP Plastics-North Carolina, Inc.," and (ii) certain realty used in the business thereof, owned by its former principal shareholder; the purchase price of such stock and realty, together with a related working capital facility for such subsidiary, was financed by Midlantic.

(d) Also in 1981, LCP Transportation, Inc., a subsidiary of the Company, purchased and refurbished a corporate jet aircraft; the price thereof was financed by a

loan made by Midlantic to such subsidiary, which loan was guaranteed by the Company.

2. Such earlier purchases were or are held and operated by subsidiaries of the Company, which mortgaged such assets as collateral security for such loans which financed the purchase thereof. Schedule 1 lists such subsidiaries, and lists those which have since been merged into the Company. Those mergers were consummated prior to the date of the initial loans hereunder.

3. The Company has entered into a Purchase Agreement (as defined below) to purchase the IMC Assets (as defined below) from International Minerals & Chemical Corporation. In order to finance the price of such acquisition (and to provide funds to the Company to repay certain demand notes of the Company and to be used for working capital needs), the Company and the Lenders have entered into this Agreement. Upon the terms and conditions of this Agreement, the Company and its Subsidiaries will execute and deliver, and if appropriate, cause to be recorded or filed, certain collateral security instruments. The resulting mortgage liens and security interests shall secure both the loans hereunder and certain of the loans made to finance the prior acquisitions of the Company; said liens and security interests will be created in both the IMC Assets and such previously acquired assets of the Company and its remaining subsidiaries. Schedule 2 lists the several plants of the Company and its remaining subsidiaries, the present and prior owners of each, and the prior collateral security instruments, if any, thereupon.

The parties hereto hereby agree as follows:

#### SECTION 1. DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms have the following meanings:

"Agreement" shall mean this Financing Agreement, as amended, supplemented or modified from time to time.

"Airplane" shall mean the Dassault Falcon 20C corporate jet airplane, serial number 089 Registration No. N71CP, with two General Electric CF700 2D2 engines, serial numbers 299G117 and 299G132.

"Allied" shall mean Allied Corporation, a New York corporation, formerly known as "Allied Chemical Corporation".

"Allied Moundsville Notes" shall mean the 12% Secured A Note and the 15% Secured B Note of Chemicals-West Virginia payable to Allied, in the original principal amounts of \$3,000,000 and \$5,300,000, respectively, issued pursuant to the Allied Note Agreement representing the deferred purchase price of the chlorine, caustic soda and chloromethanes manufacturing facilities at Moundsville, West Virginia and secured by the Moundsville First Mortgage and the Moundsville First Security Agreement.

"Allied 1980 Note Agreement" shall mean the Note Agreement, dated as of May 1, 1980, between Chemicals-West Virginia and Allied.

"Allied Notes" shall mean the Allied Second Mortgage Note and the Allied Moundsville Notes.

"Allied Second Mortgage Note" shall mean the 10% Subordinated Secured Note, due September 30, 1989, of the Company, payable to Allied, in the original principal amount of \$5,000,000 and secured by the 1979 Second Mortgage.

"Antilles International Salt" shall mean Antilles International Salt Company, a Netherlands Antilles corporation.

"Antilles Salt Notes" shall mean the promissory notes of the Company, payable to Antilles International Salt, in the original aggregate principal amount of \$500,000, issued pursuant to the Salt Supply Agreement, dated as of December 11, 1979, between the Company and Antilles International Salt.

"Available Revolving Credit Commitment" shall mean, as to any Lender, at a particular time, an amount equal to the difference between (a) the amount of such Lender's Revolving Credit Commitment at such time and (b) the aggregate unpaid principal amount at such time of all revolving credit loans made by such Lender pursuant to subsection 3.1; collectively, as to all the Lenders, the "Available Revolving Credit Commitments".

"Borrowing Base" shall mean, at the time of any determination thereof, the sum of the following items:

- (a) 85% of the IMC Accounts Receivable; plus
- (b) 60% of the IMC Inventories; plus
- (c) 25% of the IMC Mercury Inventories.

"Borrowing Base Certificate" shall mean a certificate of a Responsible Officer, substantially in the form of Exhibit A.

"Borrowing Certificate" shall mean a certificate of a Responsible Officer, substantially in the form of Exhibits B-1 or B-2.

"Borrowing Date" shall mean any Business Day on which the Company requests the Lenders to make loans hereunder.

"Business Day" shall mean a day other than a Saturday, Sunday or other day on which commercial banks in New York City or in the State of New Jersey are authorized or required by law to close.

"Capital Lease" shall mean any agreement to rent or lease (as lessee) real or personal property which is required to be capitalized in accordance with GAAP.

"Cash Flow Available For Restricted Payments" shall have the meaning given that term in subsection 8.5.

"Chemicals-West Virginia" shall mean LCP Chemicals-West Virginia, Inc., a Delaware corporation and a Subsidiary of the Company.

"Class B Common Stock" shall mean the Class B Common Stock, \$.10 par value, of the Company.

"Code" shall mean the Internal Revenue Code of 1954, as amended from time to time.

"Common Stock" shall mean the Common Stock, par value \$.10, of the Company.

"Commonly Controlled Entity" shall mean an entity, whether or not incorporated, which is under common control

with the Company within the meaning of Section 414(b) or (c) of the Code.

"Consolidated Accounts Receivable" shall mean, as at any date, the aggregate accounts receivable appearing on the consolidated balance sheet of the Company and its Subsidiaries as at such date, prepared in accordance with GAAP on a consolidated basis, less all reserves with respect thereto.

"Consolidated Funded Debt" shall mean the aggregate Funded Debt of the Company and its Subsidiaries, determined in accordance with GAAP on a consolidated basis after eliminating all inter-company items.

"Consolidated Inventories" shall mean, as at any date, the aggregate portion of inventories properly appearing on the consolidated balance sheet of the Company and its Subsidiaries as at such date, prepared in accordance with GAAP on a consolidated basis, less all reserves with respect thereto.

"Consolidated Net Tangible Assets" shall mean the total of all assets properly appearing on a consolidated balance sheet of the Company and its Consolidated Subsidiaries prepared in accordance with GAAP, after deducting therefrom (without duplication of deductions): (a) all current liabilities (other than the current portion of Funded Debt) of the Company and its Consolidated Subsidiaries, determined, on a consolidated basis after eliminating all inter-company items, in accordance with GAAP, (b) the book amount of all assets which would be treated as intangibles under GAAP, (c) any write-up in the book value of any asset resulting from a revaluation thereof subsequent to September 30, 1978, (d) all reserves which appear or under GAAP are required to appear on such balance sheet, (e) all minority interests, if any, in the stock and surplus of Subsidiaries of the Company, (f) the amount, if any, at which any shares of stock of the Company or any Subsidiary of the Company appear on the asset side of such balance sheet, and (g) all deferred charges.

"Consolidated Subsidiary" shall mean any Subsidiary other than Plastics - North Carolina.

"Consolidated Working Capital" shall mean the excess of (a) the sum of (i) consolidated current assets of the Company and its Consolidated Subsidiaries, plus (ii) the book value of all inventories of metallic mercury of the Company and its Consolidated Subsidiaries, over (b) the consolidated current liabilities of the Company and its Consolidated Subsidiaries, all determined in accordance with GAAP, provided that there shall not be included in current assets (a) any loans or advances made by the Company or any Subsidiary, nor (b) any assets located outside (including any amounts payable by Persons located outside) the United States of America and Canada.

"Contingent Obligation" shall mean as to any Person any obligation of such Person guaranteeing or in effect guaranteeing any indebtedness, leases, dividends or other obligations ("primary obligations") of any other Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of such Person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation or (d) otherwise to assure or hold harmless the owner of such primary obligation against loss in respect thereof; provided, however, that the term Contingent Obligation shall not include endorsements of instruments for deposit or collection in the ordinary course of business.

"Contractual Obligation" shall mean as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of its property is bound.

"Current Debt" shall mean any obligation for borrowed money (and any notes payable and drafts accepted and other obligations representing extensions of credit whether or not representing obligations for borrowed money)

payable on demand or within a period of one year from the date of the creation thereof, provided that any obligation shall be treated as Funded Debt, regardless of its term, if such obligation is renewable pursuant to the terms thereof or of any agreement effective for more than one year after the date of the creation of such obligation, or may be payable out of the proceeds of similar obligations pursuant to the terms of such obligation or of any such agreement and provided, further, that any obligation outstanding under a revolving credit or similar agreement which obligates the lender or lenders to extend credit over a period of more than one year shall be treated as Funded Debt, even though such obligation by its terms matures on demand or not more than one year from the date of the creation thereof. Any obligation secured by a Lien on property of the Company or any Subsidiary shall be deemed to be Funded or Current Debt, as the case may be, of the Company or such Subsidiary even though such obligation shall not be assumed by the Company or such Subsidiary.

"Debt" shall mean Funded Debt and/or Current Debt, as the case may be.

"Default" shall mean any of the events specified in Section 9, whether or not any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"Demand Notes" shall mean the Demand Notes of the Company, dated May 1, 1981 and February 2, 1982, payable to MHT, in the original principal amounts of \$7,000,000 and \$2,000,000, respectively.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Event of Default" shall mean any of the events specified in Section 9, provided that any requirement for the giving of notice, the lapse of time, or both, or any other condition, has been satisfied.

"First Airplane Mortgage" shall mean the Aircraft Chattel Mortgage, dated as of December 30, 1981, from LCP-Transportation to Midlantic, including any and all amendments, modifications, renewals or extensions thereof, securing the Midlantic Airplane Note.

"Funded Debt" shall mean (a) any obligation payable more than one year from the date of the creation thereof, which under GAAP is shown on the balance sheet as a liability (excluding reserves, deferred income taxes and other reserves to the extent that such reserves do not constitute an obligation), including, without duplication, the amount of any such obligation under any Capital Lease, (b) any obligation, regardless of its term, if such obligation is renewable pursuant to the terms thereof or of any agreement effective for more than one year after the date of the creation of such obligation, or may be payable out of the proceeds of similar obligations pursuant to the terms of such obligation or of any such agreement, (c) any obligation outstanding under any revolving credit or similar agreement which obligates the lender or lenders to extend credit over a period of more than one year even though such obligation matures on demand or not more than one year from the date of creation thereof, and (d) guarantees, endorsements (other than endorsements of negotiable instruments for collection in the ordinary course of business) and other contingent liabilities (whether direct or indirect) in connection with the obligations (regardless of the term of such obligations), stock or dividends of any Person.

"GAAP" shall mean generally accepted accounting principles in the United States of America in effect from time to time.

"Governmental Authority" shall mean any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Hooker" shall mean Hooker Chemicals & Plastics Corp., a New York corporation.

"Hooker-IMC Security Agreement" shall mean the Security Agreement, dated April 30, 1982, by the Company to the Agent, for the benefit of the Lenders, securing the Notes and the 1979 Notes and substantially in the form of Exhibit C.

"Hooker Venture" shall mean the joint venture between Hooker and IMC, more fully described in Exhibit F to the Purchase Agreement.

"IDA" shall mean the Onondaga County Industrial Development Agency.

"IDA Bond" shall mean the 1979 Industrial Development Bond (LCP Chemicals-New York, Inc. Facility) in the original principal amount of \$7,500,000 issued by the IDA and purchased by MHT in connection with the financing of the acquisition by the Company of the chlorine caustic plant of Allied at Geddes, New York.

"IDA Note" shall mean the promissory note in the principal amount of \$7,500,000 issued by Chemicals-New York to the IDA in connection with the financing of the acquisition by the Company of the chlorine caustic plant of Allied at Geddes, New York.

"IMC" shall mean International Minerals & Chemical Corporation, a New York corporation.

"IMC Accounts Receivable" shall mean, as at any date, the aggregate portion of Consolidated Accounts Receivable resulting from sales of the IMC Inventories and the IMC Mercury Inventories.

"IMC Assets" shall mean the assets relating to the electrochemical business of IMC (including, without limitation, an agreement of IMC to assign its interest in the Hooker Venture to the Company for \$1 whenever Hooker shall consent to such assignment and the right to purchase certain products of the Hooker Venture) to be purchased by the Company pursuant to the Purchase Agreement, all as more fully described in the Purchase Agreement.

"IMC Inventories" shall mean, as at any date, the aggregate portion of Consolidated Inventories relating to the IMC Assets other than IMC Mercury Inventories.

"IMC First Mortgage" shall mean the First Mortgage, Deed of Trust and Security Agreement, dated April 28, 1982, from the Company to the Trustees securing the Term Notes and the 1979 Notes and substantially in the form of Exhibit D.

"IMC Mercury Inventories" shall mean, as at any date, the aggregate portion of Consolidated Inventories relating to the IMC Assets consisting of mercury.

"IMC Second Mortgage" shall mean the Second Mortgage, Deed of Trust and Security Agreement, dated April \_\_, 1982, from the Company to Fidelity Union Bank and William C. Arnebeck, as trustees, securing the International Salt Notes, the Allied Second Mortgage Note and substantially in the form of Exhibit E.

"Initial Borrowing Date" shall have the meaning given that term in subsection 2.1.

"Inter-Creditor Agreement" shall mean the Inter-Creditor Agreement, dated as of April 26, 1982, among the Lenders and the Agent, substantially in the form of Exhibit F.

"International Salt" shall mean International Salt Company, a New Jersey corporation.

"International Salt Notes" shall mean the promissory notes of the Company, payable to International Salt, in the original aggregate principal amount of \$1,132,390.53, issued pursuant to the Salt Supply Agreement, dated as of December 11, 1979, between the Company and International Salt.

"LCP ESOT" shall mean the Linden Chlorine Products, Inc., Employee Stock Ownership Plan (which title has since been amended to "Linden Chemicals and Plastics, Inc., Employee Stock Ownership Plan"), adopted by the Company on June 22, 1976, as amended by the First, Second and Third Amendments thereto, dated respectively February 15, 1977, August 1, 1978 and December 23, 1981, and also by the Employee Stock Ownership Plan Adoption Agreements by which the Subsidiaries of the Company adopted the LCP ESOT, administered by First National State Bank (as successor trustee to Summit and Elizabeth Trust Company), as trustee under the Employee Stock Ownership Trust Agreement, dated as of September 30, 1976, between the Company (then known as "Linden Chlorine Products, Inc.") and such trustee.

"LCP ESOT Letter" shall mean the letter, dated the Initial Borrowing Date, from the Company to the Lenders

setting forth its minimum levels of contractually obligatory contributions to the LCP ESOT and the LCP Savings Plan.

"LCP Savings Plan" shall mean the Linden Chemicals & Plastics, Inc. and its Subsidiaries 1981 Savings Plan for Employees, dated as of January 1, 1981, as amended by the First Amendment thereto, dated as of October 1, 1981, and administered by C.A. Hansen, Jr., W.C. Calvert, Jr. and John Kandravay (collectively, the "Savings Plan Trustees") pursuant to the 1981 Savings Plan Trust Agreement, dated as of January 1, 1981, by and between the Company and the Savings Plan Trustees.

"LCP-Transportation" shall mean LCP Transportation, Inc., a Delaware corporation and a Subsidiary of the Company.

"Letter of Credit" shall have the meaning given that term in Section 4.08 of the Purchase Agreement.

"Lien" shall mean any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any conditional sale or other title retention agreement, any financing lease having substantially the same economic effect as any of the foregoing, and the filing of any financing statement under the Uniform Commercial Code or comparable law of any jurisdiction).

"MHTC Rate" shall mean the rate of interest publicly announced by MHT in New York, New York from time to time as its prime rate.

"MHT Common Stock Purchase Warrant" shall mean the Common Stock Purchase Warrant of the Company issued to MHT, dated August 24, 1972, as amended by amendments dated November 15, 1976, as of September 30, 1978 and as of December 14, 1979.

"MHT 1982 Warrant" shall mean the stock subscription warrant for the purchase of 130,200 shares of Class B Common Stock, issued to MHT and substantially in the form of Exhibit G.

"MHT 1972 Warrants" shall mean the warrants for the purchase of 150,000 shares of Common Stock issued to MHT pursuant to the MHT Common Stock Purchase Warrant.

"MHT Warrant Amendment" shall mean the Fourth Amendment to the MHT Common Stock Purchase Warrant, substantially in the form of Exhibit H, extending the date of expiration of the MHT 1972 Warrants from December 31, 1985 to December 31, 1990.

"Midlantic Airplane Note" shall mean the Secured Promissory Note, dated December 30, 1981, of LCP-Transportation in favor of Midlantic, in the original principal amount of \$1,450,000, including any and all amendments, modifications, renewals and extensions thereof.

"Midlantic 1982 Warrant" shall mean the stock subscription warrant for the purchase of 43,500 shares of Class B Common Stock, issued to Midlantic and substantially in the form of Exhibit I.

"Midlantic Tridyn Notes" shall mean the Term Note of Plastics-North Carolina in favor of Midlantic, dated December 30, 1981, in the original principal amount of \$4,000,000 and the Revolving Credit Note of Plastics-North Carolina in favor of Midlantic, dated December 30, 1981, in a face amount of \$2,500,000, each issued pursuant to the Tridyn Loan and Security Agreement, including any and all amendments, modifications, renewals and extensions of either or both.

"Moundsville First Mortgage" shall mean the Deed of Trust, dated April 30, 1980, of Chemicals-West Virginia to J.K. Chase, Jr. and Raymond R. Hyre, as Trustees, securing the Allied Moundsville Notes.

"Moundsville First Security Agreement" shall mean the Chattel Mortgage and Security Agreement, dated as of May 1, 1980, between Allied and Chemicals-West Virginia, securing the Allied Moundsville Notes.

"Moundsville Second Mortgage" shall mean the Second Mortgage, Deed of Trust and Security Agreement, dated April 28, 1982, from Chemicals-West Virginia to the Trustees, securing the Term Notes and the 1979 Notes and substantially in the form of Exhibit J.

"Multiemployer Plan" shall mean a Plan which is a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

"Net Available Cash Flow" shall mean with respect to the relevant fiscal year of the Company and its Subsidiaries (on a consolidated basis), the excess of:

(a) the sum of:

(i) the consolidated net income of the Company and its Subsidiaries, plus

(ii) depreciation deducted in determining such consolidated net income, plus

(iii) deferred taxes deducted in determining such consolidated net income, plus

(iv) amortization deducted in determining such consolidated net income (including, without limitation, amortization of that part of the purchase price of the IMC Assets allocated to the Hooker Venture), plus

(v) other non-cash charges to income deducted in determining such consolidated net income, except for any such charge related to contributions to, or other transactions with, the LCP ESOT or the LCP Savings Plan; over

(b) the sum of:

(i) the excess, if any, of (A) the aggregate amount of mandatory payments on account of Debt permitted under subsection 8.2 made during such fiscal year (including, without limitation, prepayments of the Notes made pursuant to subsection 2.4(b) during such fiscal year, but excluding prepayments, if any, of the Notes made pursuant to clause (i) of such subsection 2.4(b) or of the 1979 Prudential Note made pursuant to Paragraph 4B of the 1979 Prudential Agreement made during such fiscal year), over (B) the amount of contributions made by the Company and its Subsidiaries to the LCP ESOT and the LCP Savings Plan which were contractually mandated, plus

(ii) the aggregate amount of all (A) dividends paid during such fiscal year with respect to any Original Series C Preferred Shares pursuant to Section 1 of paragraph FIRST of the Series C Preferred Stock Certificate, (B) redemptions of any Original Series C Preferred Shares made during such fiscal year pursuant to subdivisions (b), (c) or (d) of Section 5 of paragraph FIRST of the Series C Preferred Stock Certificate and (C) payments made during such fiscal year on account of accrued and unpaid dividends on any Original Series C Preferred Shares pursuant to the Series C Preferred Stock Certificate, but only to the extent that such aggregate amount shall not exceed 30% of the Net Cash Flow (as such term is defined in subdivision (b) of Section 5 of paragraph FIRST of the Series C Preferred Stock Certificate) of the Company for such fiscal year, plus

(iii) an amount with respect to capital expenditures for such fiscal year (on a non-cumulative basis) equal to:

|                                    |             |
|------------------------------------|-------------|
| 1982 .....                         | \$7,000,000 |
| 1983 .....                         | 6,000,000   |
| 1984 and each year thereafter..... | 5,000,000   |

plus (iv) \$2,000,000.

See Schedule 3 for a chart illustrating the calculation of Net Available Cash Flow.

"Net Earnings" and "Net Earnings Available for Restricted Payments" shall have the meanings given those terms in subsection 8.5.

"1982 Mortgages" shall mean the IMC Mortgage, the Moundsville Second Mortgage, the Tridyn Second Mortgage and the Third Mortgage.

"1982 Security Agreements" shall mean the Second Airplane Mortgage, the Hooker-IMC Security Agreement, the Subsidiaries Subordinated Security Agreements and the Security Agreement.

"1979 First Mortgage" shall mean the First Mortgage, Deed of Trust and Security Agreement, dated

December 14, 1979, by the Company, certain former Subsidiaries of the Company and LCP-Transportation to the 1979 First Mortgage Trustees, securing the 1979 Notes.

"1979 First Mortgage Trustees" shall mean Irving Trust Company and D.W. May in their capacities as Trustees under the 1979 First Mortgage.

"1979 MHT Agreement" shall mean the Bank Loan Agreement, dated as of December 11, 1979, among the Company, certain former Subsidiaries of the Company, LCP-Transportation and MHT, as such Agreement has been amended from time to time.

"1979 MHT IDA Note" shall mean the Promissory Note of the Company, dated December 14, 1979, in the original principal amount of \$7,500,000, in favor of MHT, issued pursuant to the 1979 MHT Agreement, as amended by Endorsement No. 1, dated August 14, 1980 and by IDA Endorsement No. 2, dated April 30, 1982, assigned to LCP Chemicals-New York, Inc., a former subsidiary of the Company, and in turn pledged to MHT as collateral security for the IDA Bond.

"1979 MHT Salt Note" shall mean the subordinated Promissory Note of the Company, dated December 14, 1979, in the original principal amount of \$2,500,000, in favor of MHT issued pursuant to the 1979 MHT Agreement, as amended from time to time to date and by Salt Endorsement No. 4, dated April 30, 1982.

"1979 MHT Term Note" shall mean the Term Note of the Company, dated December 14, 1979, in the original principal amount of \$4,500,000, in favor of MHT, as amended by Bank Endorsement No. 1, dated April 30, 1982.

"1979 Notes" shall mean the 1979 Prudential Note, 1979 MHT Term Note and the 1979 MHT IDA Note.

"1979 Prudential Agreement" shall mean the Note and Warrant Agreement, dated as of December 11, 1979, between the Company and Prudential, as such Agreement has been amended from time to time.

"1979 Prudential Note" shall mean the 11.50% Secured Note due December 31, 1994 of the Company payable

to Prudential, in the original principal amount of \$27,000,000, issued pursuant to the 1979 Prudential Agreement.

"1979 Second Mortgage" shall mean the Second Mortgage, Deed of Trust and Security Agreement, dated December 14, 1979, by the Company, certain former Subsidiaries of the Company, and LCP-Transportation to the 1979 Second Mortgage Trustees, securing the Allied Second Mortgage Note, the 1979 MHT Salt Note, the International Salt Notes and the Antilles Salt Notes.

"1979 Second Mortgage Trustees" shall mean J. Henry Schroder Bank & Trust Company and Michael J. Pellino, in their capacities as Trustees under the 1979 Second Mortgage.

"Note" and "Notes" shall mean the Revolving Credit Notes and the Term Notes.

"Original Holder" shall mean each of MHT, Prudential and Midlantic.

"Original Series C Preferred Shares" shall mean shares of the Series C Preferred Stock which have not previously been redeemed or reissued.

"PBGC" shall mean the Pension Benefit Guaranty Corporation established pursuant to Subtitle A of Title IV of ERISA.

"Permitted Exceptions" as to the realty and personalty covered thereby shall have the meaning given such term by the 1982 Mortgages, the 1979 First Mortgage or the 1979 Second Mortgage.

"Person" shall mean an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

"Plan" shall mean any pension plan which is covered by Title IV of ERISA and in respect of which the Company or a Commonly Controlled Entity is or has been an "employer" as defined in Section 3(5) of ERISA.

"Plastics-North Carolina" shall mean LCP Plastics-North Carolina, Inc., a North Carolina corporation and a Subsidiary of the Company.

"Prudential 1982 Warrant" shall mean the Stock Subscription Warrant for the purchase of 126,300 shares of Class B Common Stock, issued to Prudential and substantially in the form of Exhibit K.

"Prudential 1979 Warrant" shall mean the Stock Subscription Warrant, dated December 14, 1979, for the purchase of 275,000 shares of Class B Common Stock, issued to Prudential.

"Purchase Agreement" shall mean the Purchase Agreement, dated February 2, 1982, between the Company and IMC, providing for the sale by IMC to the Company of the IMC Assets.

"Reportable Event" shall mean any of the events set forth in Section 4043(b) of ERISA or the regulations thereunder.

"Requirement of Law" shall mean as to any Person, the Certificate of Incorporation and By-Laws or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its properties or to which such Person or any of its property is subject.

"Responsible Officer" shall mean the chief executive officer or the chief financial officer of the Company.

"Revolving Credit Commitment" shall mean as to any Lender, its obligation to make revolving loans to the Company pursuant to subsection 3.1 in the amount referred to therein; collectively, as to all the Lenders, the "Revolving Credit Commitments".

"Revolving Credit Commitment Period" shall mean the period from and including the date hereof to but not including the Termination Date or such earlier date as the Revolving Credit Commitments shall terminate as provided herein.

"Revolving Credit Notes" shall have the meaning given that term in subsection 3.2.

"Second Airplane Mortgage" shall mean the Second Aircraft Chattel Mortgage, dated April 30, 1982, by LCP-Transportation in favor of the Agent for the benefit of the Lenders, securing the Term Notes and the 1979 Notes and substantially in the form of Exhibit L.

"Security Agreement" shall mean the Security Agreement, dated April 30, 1982, by the Company in favor of the Agent for the benefit of the Lenders, securing the Notes and the 1979 Notes and substantially in the form of Exhibit M.

"Security Documents" shall mean, collectively, the 1982 Mortgages and the 1982 Security Agreements.

"Series C Preferred Stock" shall mean the Series C Preferred Stock of the Company.

"Series C Preferred Stock Certificate" shall mean the Company's Certificate pursuant to Section 151 of the General Corporation Law of the State of Delaware and relating to the Series C Preferred Stock, as filed with the Secretary of State of the State of Delaware on May 1, 1981.

"Single Employer Plan" shall mean any Plan which is not a Multiemployer Plan.

"Subsidiaries Subordinated Security Agreements" shall mean the Security Agreements, each dated April 30, 1982, by Chemicals-West Virginia ("Subsidiaries Subordinated Security Agreement (Moundsville)") and by Plastics-North Carolina ("Subsidiaries Subordinated Security Agreement (Tridyn)"), respectively, in favor of the Agent for the benefit of the Lenders, securing the Notes and the 1979 Notes each substantially in the forms of Exhibit N-1 and N-2, respectively.

"Subsidiary" shall mean any corporation organized under the laws of any state of the United States of America, Canada, or any province of Canada, and all of the stock of every class of which (except directors' qualifying shares) shall, at the time as of which any determination is being made, be owned by the Company either directly or through Subsidiaries.

"Term Notes" shall have the meaning given that term in subsection 2.2.

"Termination Date" shall mean the third anniversary of the Initial Borrowing Date.

"Third Mortgage" shall mean the Third Mortgage, Deed of Trust and Security Agreement, dated April 28, 1982, by the Company to the Trustees, securing the Term Notes and substantially in the form of Exhibit O.

"Tridyn" shall mean Tridyn Industries, Inc., a former name of Plastics-North Carolina.

"Tridyn First Security Agreement" shall mean the Loan and Security Agreement, dated December 30, 1981, among Plastics-North Carolina, Tridyn and Midlantic, securing the Midlantic Tridyn Notes.

"Tridyn First Mortgage" shall mean the Deed of Trust and Security Agreement, dated December 30, 1981, among Plastics-North Carolina, Stephen R. Bliss, as Trustee, and Midlantic as Beneficiary, securing the Midlantic Tridyn Notes.

"Tridyn Second Mortgage" shall mean the Second Mortgage, Deed of Trust and Security Agreement, dated April 27, 1982, from Plastics North Carolina to the Trustees, securing the Term Notes and the 1979 Notes and substantially in the form of Exhibit P.

"Trustees" shall mean Fidelity Union Bank and William C. Arnebeck in their capacity acting as Trustees under the 1982 Mortgages.

"Warrants" shall mean the MHT 1982 Warrant, the Midlantic 1982 Warrant and the Prudential 1982 Warrant.

1.2 Other Definitional Provisions. (a) All terms defined in this Agreement shall have the defined meanings when used in the Notes or any certificate or other document made or delivered pursuant hereto.

(b) As used herein and in the Notes, and any certificate or other document made or delivered pursuant hereto, accounting terms relating to the Company and its

Subsidiaries not defined in Subsection 1.1, and accounting terms partly defined in subsection 1.1 to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) When used in this Agreement, Section, subsection, schedule and exhibit references are to this Agreement unless otherwise specified.

## SECTION 2. AMOUNT AND TERMS OF TERM LOANS

2.1 Term Loans. (a) Subject to the terms and conditions hereof, each Lender severally agrees to make a term loan to the Company on April 30, 1982 (or at such other time as shall be satisfactory to the Company and each of the Lenders) (the "Initial Borrowing Date") in the principal amount set opposite such Lender's name below:

| <u>Lender</u> | <u>Amount of Term<br/>Loan</u> | <u>Percentage</u> |
|---------------|--------------------------------|-------------------|
| MHT           | \$21,700,000                   | 43.4%             |
| Prudential    | 21,050,000                     | 42.1              |
| Midlantic     | 7,250,000                      | 14.5              |
| Total         | <u>\$50,000,000</u>            | <u>100%</u>       |

(b) Each Lender shall make the principal sum of its term loan available to the Company in immediately available funds on the Initial Borrowing Date. The term loans shall be made by each Lender, concurrently with the other two Lenders, paying the amount of its term loan to the Company's order upon its written direction.

2.2 Term Notes. (a) The term loan of each Lender pursuant hereto shall be evidenced by a promissory note of the Company, substantially in the forms set forth as Exhibits Q-1, Q-2 and Q-3 (a "Term Note"; collectively, the "Term Notes"). Each Term Note shall (i) be dated the date of the term loans, (ii) be stated to mature in one hundred and four (104) consecutive monthly installments on the last day of each month, commencing on May 31, 1982, and the amount of each such installment shall equal such Lender's pro rata share of the aggregate amount indicated below:

| <u>Calendar<br/>Year</u> | <u>Monthly Payment<br/>Principal Amount</u> |
|--------------------------|---|
| 1982                     | \$220,000 (8 payments)                      |
| 1983                     | 220,000                                     |
| 1984                     | 325,000                                     |
| 1985                     | 325,000                                     |
| 1986                     | 500,000                                     |
| 1987                     | 500,000                                     |
| 1988                     | 675,000                                     |
| 1989                     | 675,000                                     |
| 1990                     | 800,000                                     |

and (iii) bear interest from the date thereof on the unpaid principal amount thereof, until such amount shall become due and payable (whether at the stated maturity, by acceleration or otherwise), at a fluctuating rate per annum equal to 1-1/2% above the MHTC Rate, and thereafter equal to 3-1/2% above the MHTC Rate until paid in full (both before and after judgment). Interest on each Term Note shall be payable monthly in arrears on the last day of each month, commencing on the first such date to occur after the date of the term loans, and upon payment (including prepayment) in full thereof.

2.3 Procedure for Term Loan Borrowing. Subject to subsection 6.1, not later than 12:00 noon New York City time on the Initial Borrowing Date, each Lender shall make available to the Company's account with the Agent at the Agent's office specified in subsection 11.2 the amount, in immediately available funds, of the term loan being made by such Lender, provided that if at the closing with respect to the Term Notes on the Initial Borrowing Date, any of the conditions specified in Section 6 shall not have been fulfilled to each of the Lenders' satisfaction, each Lender shall, at its election, be relieved of all further obligations under this Agreement, without thereby waiving any other rights it may have by reason of such nonfulfillment. Proceeds of term loans hereunder received by the Agent shall be deposited in such account of the Company with the Agent on the date the term loans are made for transmittal by the Agent upon the Company's order.

2.4 Optional and Mandatory Prepayments (a)  
Optional. The Company may, at its option, at any time and from time to time, prepay the Term Notes hereunder, in

whole or in part, without premium or penalty, upon at least thirty (30) calendar days notice to each Lender, specifying the date and amount of prepayment. Such notice shall be irrevocable and the payment amount specified in such notice shall be due and payable on the date specified, together with accrued interest to such date on the amount prepaid. Partial prepayments of the Term Notes shall be applied to the installments of principal thereof in the inverse order of maturity. Amounts prepaid on account of the Term Notes may not be reborrowed. Each partial optional prepayment of the Term Notes shall be in an aggregate principal amount of \$500,000 or a multiple thereof.

(b) Mandatory. The Company shall make five types of mandatory prepayments of the Term Notes, all of which shall be applied to the installments of the Term Notes in the inverse order of the maturity thereof, in the indicated amounts upon the indicated dates:

(i) Insurance Proceeds. In the event of the Total Destruction or Total Taking of any plant owned or leased by the Company as provided in Section \_\_\_ or \_\_\_, as the case may be, of the IMC First Mortgage, promptly on receipt by the Trustees of any Net Insurance Proceeds or Net Awards payable with respect to such Total Destruction or Total Taking, as the case may be, the Trustees shall give each Lender notice thereof (with a copy to the Company) and, if any Lender shall notify the Trustees and the Company within 30 days after the giving of such notice by the Trustees of its election to require an additional prepayment of the Term Notes, then the principal amount of the Term Notes will be paid by the Trustees in accordance with Section \_\_\_ of the IMC First Mortgage at the principal amount so prepaid, together with accrued interest to the date of prepayment on the amount prepaid.

(ii) Mandatory ESOT/Savings Plan Payments. On the last day of each month, commencing with May 31, 1982, an amount equal to the excess, if any, of (x) an amount equal to the aggregate amount of all contributions made during such month by the Company and its Subsidiaries to the LCP ESOT and the LCP Savings Plan which were required to be made under any contractual or other mandatory provision (including, without limitation, those contemplated by the ESOT

Letter), over (y) the amount of the scheduled installment of principal of the Term Notes payable on such date.

(iii) Cash Flow. Annually, on the date four months after the end of each successive fiscal year of the Company, commencing on April 30, 1983, an amount equal to 75% of Net Available Cash Flow for the immediately preceding fiscal year of the Company.

(iv) Optional ESOT/Savings Plan Payments. Annually, on the date four months after the end of each successive fiscal year of the Company, commencing on April 30, 1983, an amount equal to the excess, if any, of an amount equal to the aggregate amount of all contributions made by the Company and its Subsidiaries to the LCP ESOT and the LCP Savings Plan, over the sum of (x) the amount of such contributions which were required to be made during such fiscal year by any contractual or other mandatory provision (including, without limitation, those contemplated by the ESOT Letter), plus (y) an amount equal to the aggregate amount of payments made for repurchases of Common Stock from participants in the LCP ESOT or the LCP Savings Plan (or their beneficiaries) pursuant to the "put" provision thereof.

(v) Contingent Price Rebates. Promptly after receipt thereof by the Company an amount equal to any payments made by IMC or drawn by the Company under the Letter of Credit pursuant to Section 4 of the Purchase Agreement.

2.5 Pro Rata Treatment. Each payment (including each optional or mandatory prepayment but excluding any prepayment made by crediting the exercise price of Warrants against the unpaid balance of the Term Note of the holder of such Warrant) by the Company on account of principal, interest and fees with respect to the Term Notes shall be made to the Lenders pro rata according to the amounts of their respective original Term Notes.

2.6 Use of Proceeds. The proceeds of the term loans shall be used by the Company to purchase the IMC Assets from IMC pursuant to the Purchase Agreement, to repay the balance of the Demand Notes and for working capital purposes.

SECTION 3. AMOUNT AND TERMS OF REVOLVING  
CREDIT LOANS

3.1 Revolving Credit Commitments. Subject to the terms and conditions hereof, each Lender severally agrees to make revolving credit loans to the Company from time to time during the Revolving Credit Commitment Period in an aggregate principal amount at any one time outstanding not to exceed the lesser of (a) the amount of the Borrowing Base from time to time in effect and (b) the amount set opposite such Lender's name below, as such amount may be reduced as provided herein:

| <u>Lender</u> | <u>Maximum Amount of<br/>Revolving Credit<br/>Commitment</u> | <u>Percentage</u> |
|---------------|--|-------------------|
| MHT           | \$3,038,000  | 43.4%             |
| Prudential    | 2,947,000  | 42.1              |
| Midlantic     | 1,015,000  | 14.5              |
| Total         | <u>\$7,000,000</u>   | <u>100%</u>       |

During the Revolving Credit Commitment Period the Company may use the Revolving Credit Commitments by borrowing, prepaying the revolving credit loans in whole or in part, and reborrowing, all in accordance with the terms and conditions hereof.

3.2 Revolving Credit Notes. The revolving credit loans made by each Lender pursuant hereto shall be evidenced by a promissory note of the Company; substantially in the form of Exhibit R-1, R-2 and R-3 (a "Revolving Credit Note"; collectively the "Revolving Credit Notes"), representing the obligation of the Company to pay the aggregate principal amount of all revolving credit loans made by such Lender, with interest thereon as prescribed in this subsection 3.2. Each Lender is authorized to endorse the date and amount of each revolving credit loan of such Lender and each payment of principal with respect thereto on the schedule annexed to and constituting a part of such Lender's Revolving Credit Note, which endorsement shall constitute prima facie evidence of the information endorsed. Each Revolving Credit Note shall (a) be dated the date of the first revolving credit loan, (b) be stated to mature on the Termination Date and (c) bear interest for the period from the date thereof on the

unpaid principal amount thereof from time to time outstanding until such amount shall become due and payable (whether at the stated maturity, by acceleration or otherwise) at a fluctuating rate per annum equal to 1-1/2% above the MHTC Rate, and thereafter equal to 3-1/2% above the MHTC Rate until paid in full (both before and after judgment). Interest accrued on the Revolving Credit Notes shall be payable monthly in arrears on the last day of each month, commencing on the first such date to occur after the date of the Revolving Credit Notes, upon the Termination Date and upon payment (including prepayment) in full thereof.

### 3.3 Procedure for Revolving Credit Borrowing.

The Company shall give the Agent at least five Business Days' notice of its intention to borrow pursuant to the Revolving Credit Commitments, specifying a Business Day during the Revolving Credit Commitment Period on which such borrowing is to be made and the amount of the borrowing. Upon receipt of such notice the Agent shall promptly notify each Lender thereof. Not later than 12:00 noon New York City time on the Borrowing Date specified in such notice, each Lender shall make available to the Agent at its office specified in subsection 11.2, in immediately available funds, the amount of the revolving credit loan to be made by such Lender. Loan proceeds received by the Agent hereunder shall be deposited in the account of the Company with the Agent on the date the revolving credit loans are made for transmittal by the Agent upon the Company's order. Each borrowing pursuant to the Revolving Credit Commitments shall be in an aggregate principal amount of the least of (a) \$1,000,000 or a multiple thereof, (b) the Available Revolving Credit Commitments and (c) the excess, if any, of the amount of the Borrowing Base over the aggregate outstanding principal amount of the revolving credit loans.

### 3.4 Optional and Mandatory Prepayments (a)

Optional. The Company may, at its option, at any time and from time to time, prepay the revolving credit loans hereunder, in whole or in part, without premium or penalty, upon at least five Business Days' notice to the Agent, specifying the date and amount of prepayment. Upon receipt of such notice the Agent shall promptly notify each Lender thereof. Such notice shall be irrevocable and the payment amount specified in such notice shall be due and payable on the date specified, together with accrued interest to such

date on the amount prepaid. Each partial optional prepayment of the revolving credit loans shall be in an aggregate principal amount of \$500,000 or a multiple thereof.

(b) Mandatory. (i) If at any time the aggregate outstanding principal amount of the revolving credit loans shall exceed the amount of the Borrowing Base then in effect, the Company shall promptly make a mandatory prepayment of the Revolving Credit Notes in an amount equal to such excess; (ii) If the amount of any prepayment pursuant to subsection 2.4(b) (v) exceeds the unpaid balance of the Term Notes, such excess shall be applied to the Revolving Credit Notes as a mandatory prepayment, and the amount of the Revolving Credit Commitments shall be reduced pro tanto.

3.5 Pro Rata Treatment. Each revolving credit borrowing by the Company from the Lenders, each payment (including each optional or mandatory prepayment) by the Company on account of principal, interest and fees with respect to the revolving credit loans or Revolving Credit Commitments, and any reduction of the amount of the Revolving Credit Commitments of the Lenders hereunder, shall be made pro rata according to the amounts of the original Revolving Credit Commitments.

3.6 Use of Proceeds. The proceeds of the revolving credit loans hereunder shall be used by the Company for working capital purposes.

3.7 Termination or Reduction of Revolving Credit Commitments. The Company shall have the right, upon not less than five Business Days' notice to the Agent to terminate the Revolving Credit Commitments or, from time to time, to reduce the amount of the unused portion of the Revolving Credit Commitments. Any termination of the Revolving Credit Commitments shall be accompanied by prepayment in full of the revolving credit loans, together with accrued interest thereon to the date of such prepayment, and the payment of any unpaid commitment fee then accrued hereunder. Any such reduction shall be in an amount of \$1,000,000 or any multiple thereof and shall reduce permanently the amount of the Revolving Credit Commitments then in effect.

SECTION 4. PROVISIONS COMMON TO TERM LOANS  
AND REVOLVING CREDIT LOANS

4.1 Commitment Fee. (a) The Company agrees to pay to the Agent for the account of each Lender a commitment fee for the period from February 1, 1982, to and including the last day of the Revolving Credit Commitment Period, computed at the rate of 1/2 of 1% per annum on the average daily Available Revolving Credit Commitment of such Lender during the period for which payment is to be made, payable monthly on the last day of each month and on the Termination Date or such earlier date as the Revolving Credit Commitments shall terminate as provided herein.

(b) The Company agrees to pay to each Lender a commitment fee for the period from February 1, 1982 to and including the earlier of (i) June 1, 1982 and (ii) the date of the term loans, computed at the rate of 1/2 of 1% per annum on the amount of such Lender's term loan set forth in the table in subsection 2.1, payable to such Lender in immediately available funds upon such earlier date.

4.2 Computation of Interest and Fees. Interest and fees shall be calculated on the basis of a 360-day year for the actual days elapsed. Any change in the interest rate on a Note resulting from a change in the MHTC Rate shall become effective as of the opening of business on the day on which such change in the MHTC Rate shall become effective. The Agent shall notify the Company and the Lenders of the effective date and the amount of each such change in the MHTC Rate.

4.3 Registration of Prudential's Notes. Each of Prudential's Notes shall be in registered form without coupons. This subsection 4.3 sets forth provisions applicable to the holders of Prudential's Notes and any replacements therefor:

(a) Such Notes shall be issuable to Prudential or its assignees as registered Notes without coupons in the denominations of \$1,000 and any integral multiple of \$1,000. The Company shall keep at its principal office a register in which the Company shall provide for the registration and transfer of registered Notes.

(b) Upon surrender of any registered Term Note or Revolving Credit Note at the principal office of the Company, the Company, at the request of the holder thereof, will execute and deliver, at the Company's expense, one or more new registered Term Notes in exchange for any Term Note and one or more new registered Revolving Credit Notes in exchange for any Revolving Credit Note, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Term Note or Revolving Credit Note, as the case may be, and registered (if appropriate) in the name of the designated transferee or transferees. Each new registered Note shall be payable to such Person or Persons as such holder shall request. Each such new registered Note shall be dated and bear interest from the date to which interest has been paid on the surrendered Note.

(c) Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft or destruction or mutilation of any registered Note and (i) in the case of loss, theft or destruction of indemnity reasonably satisfactory to it (provided that, so long as Prudential holds any registered Note, its agreement of indemnity shall be deemed to be satisfactory) or (ii) in the case of mutilation, upon surrender and cancellation thereof, the Company at its expense will execute and deliver in lieu thereof, a new registered Note of like tenor, dated and bearing interest from the date to which interest has been paid on such lost, stolen, destroyed or mutilated registered Note.

(d) At the option of the holder of any registered Term Note or Revolving Credit Note such registered Term Note may be exchanged for other registered Term Notes and such registered Revolving Credit Note may be exchanged for other registered Revolving Credit Notes, in each case of any authorized denominations, of a like aggregate principal amount, upon surrender of the registered Term Note or Revolving Credit Note to be exchanged at the office of the Company. Whenever any registered Notes are so surrendered for exchange, the Company shall execute and deliver, at its expense, the registered Notes which the holder making the exchange is entitled to receive. Every registered Note

presented or surrendered for registration or transfer shall be duly endorsed, or be accompanied by a written instrument of transfer duly executed, by the holder of such registered Note or his attorney duly authorized in writing. Any registered Note or registered Notes issued in exchange for any registered Note or upon transfer thereof shall carry the rights to unpaid interest and interest to accrue which were carried by the registered Note so exchanged or transferred, and neither gain nor loss of interest shall result from any such transfer or exchange.

(e) The Company may treat the Person in whose name any registered Note is registered as the owner and holder of such registered Note for the purpose of receiving payment of principal of, and interest on, such registered Note and for all other purposes whatsoever, whether or not such registered Note shall be overdue, and the Company shall not be affected by notice to the contrary.

(f) If any registered Notes shall have been transferred to another holder pursuant to clause (b) and such holder shall have designated in writing the address to which communications with respect to such registered Note shall be mailed, all notices, certificates, requests, statements and other documents required or permitted to be delivered to a Lender by any provision hereof shall also be delivered to each such holder, except that financial statements and other documents provided for in subsection 8.1 and 8.2 need not be delivered to any such holder holding less than 5% of the aggregate principal amount of the Term Notes and the Revolving Credit Notes from time to time outstanding.

Prior to any transfer of any registered Revolving Credit Note, the parties hereto shall enter into amendments of this Agreement which will set forth the respective rights and obligations of the holders of the registered Revolving Credit Notes and the Company with respect to registration and transfer of such Notes, payments (including optional or mandatory prepayments) on account of principal, interest and fees with respect to such Notes, and the agreement of such holders to make revolving credit loans pursuant to section 3 hereof.

4.4 Payments. All payments (including optional or mandatory prepayments) by the Company on account of principal, interest and fees (with respect to the Notes) shall be made without setoff or counterclaim:

(a) upon all unregistered Notes, to the Agent for the account of the Lenders holding the same at the office of the Agent referred to in subsection 11.2; and

(b) upon all registered Notes, to the registered holder thereof, in each case in lawful money of the United States of America and in immediately available funds. So long as Prudential shall hold any registered Note, the Company shall make payments of principal thereof and interest thereon by crediting immediately available funds (x) if such holder is Prudential, to Prudential's account, No. 826-00-027, in Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015, or (y) by such other method and at such other address as Prudential or such other holder shall have furnished to the Company in writing for such purpose; in each case without the presentation of such registered Note or the making of any notation thereon, notwithstanding any contrary provision herein or in the registered Notes with respect to the place of payment. Prudential and each subsequent holder of a registered Note agree that, before disposing of any such registered Note, it shall make a notation thereon of all principal payments made thereon and of the date to which interest thereon has been paid, and will notify the Company of the name and address of the transferee of such registered Note.

If any payment hereunder or on any Note becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest thereon shall be payable at the then applicable rate during such extension.

#### SECTION 5. REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to enter into this Agreement and to make the loans herein provided for, the Company hereby covenants, represents and warrants to the Agent and to each Lender that:

5.1 Financial Condition. The audited consolidated balance sheets of the Company and its Subsidiaries as at December 31, 1980 and December 31, 1981 and the related audited consolidated statements of income and retained earnings and changes in financial position for the fiscal years ended on such dates, reported on by Touche Ross & Co., copies of which have heretofore been furnished to each Lender, are complete and correct and present fairly the consolidated financial condition of the Company and its Subsidiaries as at such date, and the consolidated results of their operations and changes in financial position for the fiscal year then ended. All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by such accountants or Responsible Officer, as the case may be, and as disclosed therein). Neither the Company nor any of its Subsidiaries has any material Contingent Obligation, contingent liability or liability for taxes, long-term lease or unusual forward or long-term commitment, which is not reflected in the foregoing statements or in the notes thereto.

5.2 No Change. (a) Since December 31, 1980, there has been no material adverse change in the business, operations, assets or financial or other condition of the Company or any of its Subsidiaries and (b) since December 31, 1981, no dividends or other distributions have been declared, paid or made upon any shares of capital stock of the Company nor have any shares of capital stock of the Company been redeemed, retired, purchased or otherwise acquired for value by the Company or any of its Subsidiaries.

5.3 Corporate Existence; Compliance with Law. Each of the Company and its Subsidiaries (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (b) has the corporate power and authority and the legal right to own and operate its property, to lease the property it leases and to conduct the business in which it is currently engaged and will be engaged after consummation of the transactions contemplated by the Purchase Agreement, (c) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property (including the

IMC Assets) or the conduct of the business in which it is currently engaged, or will be engaged after consummation of the transactions contemplated by the Purchase Agreement, requires or will require such qualification, and (d) is, and will be after the acquisition of the IMC Assets, in compliance with all Requirements of Law except to the extent that the failure to comply therewith could not, in the aggregate, have a material adverse affect (now or after consummation of the transaction contemplated by the Purchase Agreement) on its business, operations, property or financial or other condition, and could not materially adversely affect the ability of the Company to perform its obligations under this Agreement, the Notes, the Warrants or the Security Documents to which it is a party. On the date hereof, the Company had no Subsidiaries except those listed under the heading "Presently Existing Subsidiaries" in Schedule 1.

5.4 Corporate Power; Authorization; Enforceable Obligations. (a) (i) The Company has the corporate power and authority and the legal right (w) to make, deliver and perform this Agreement, the Notes, the Warrants and the Security Documents to which it is a party, (x) to borrow hereunder, (y) to issue the Warrants and to issue the shares of Class B Common Stock of the Company issuable upon the exercise of the Warrants and (z) to create the Liens contemplated by the Security Documents.

(ii) The Company has taken all necessary corporate action to authorize (w) the borrowings contemplated hereby on the terms and conditions of this Agreement and the Notes, (x) the issuance of the Warrants and the issuance of the shares of Class B Common Stock of the Company issuable upon the exercise of the Warrants, or (y) the creation of the Liens contemplated by the Security Documents to which it is a party and (z) the execution, delivery and performance of this Agreement, the Notes, the Warrant Certificates and the Security Documents to which it is a party.

(iii) No consent or authorization of, filing with, or other act by or in respect of any Governmental Authority, is required in connection with the execution, delivery, performance, validity or enforceability of this Agreement, the Notes, the Warrants and the Security Documents to which it is a party, except \_\_\_\_\_.

(iv) This Agreement has been, and each of the Notes, the Warrants and the Security Documents to which it is a party each will be, duly executed and delivered on behalf of the Company and this Agreement constitutes, and each of the Notes, the Warrants and the Security Documents to which it is a party when executed and delivered will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

(b) Each Subsidiary which is a party to any Security Document has the corporate power and authority and the legal right to make, deliver and perform such Security Document, and has taken all necessary corporate action to authorize the creation of the Liens created by such Security Document, and the execution, delivery and performance of such Security Document. Each such Security Document will be duly executed and delivered on behalf of each Subsidiary which is a party thereto and, when executed and delivered, will constitute a legal, valid and binding obligation of each such Subsidiary enforceable against such Subsidiary in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally.

5.5 No Legal Bar. None of (a) the execution, delivery and performance of this Agreement, the Notes, the Purchase Agreement, the Warrants and the Security Document, (b) the borrowings hereunder or the use of the proceeds thereof, (c) the issuance of the Warrants and the issuance of the shares of Class B Common Stock of the Company issuable upon the exercise of the Warrants, and (d) the consummation of the transactions contemplated by the Purchase Agreement, will violate any Requirement of Law or any Contractual Obligation of the Company or any of its Subsidiaries, or will result in, or require, the creation or imposition of any Lien on any of its or their respective properties or revenues pursuant to any Requirement of Law or Contractual Obligation.

5.6 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or

Governmental Authority is pending or, to the knowledge of the Company, threatened by or against the Company or any of its Subsidiaries or against any of its or their respective properties or revenues (a) with respect to this Agreement, the Notes, the Warrants the Security Documents or the Purchase Agreement, or any of the transactions contemplated hereby or thereby, or (b) which could have a material adverse effect on the business, operations, property or financial or other condition of the Company or any of its Subsidiaries, except as described in the financial statements, or in the notes thereto, referred to in subsection 5.1 or as described in the letter from the Company to the Lenders, dated the Initial Borrowing Date.

5.7 No Default. Neither the Company nor any of its Subsidiaries is in default under or with respect to any Contractual Obligation in any respect which could be materially adverse (now or after consummation of the transactions contemplated by the Purchase Agreement), to the business, operations, property or financial or other condition of the Company or any of its Subsidiaries, or which could materially adversely affect the ability of the Company to perform its obligations under this Agreement, and the Notes, the Warrants or the Security Documents to which it is a party or of any Subsidiary to perform its obligations under any Security Document to which it is a party. No Default or Event of Default has occurred and is continuing.

5.8 Stock Property and Liens. (a) The Company has good and marketable title to all of the issued and outstanding shares of capital stock of each of its Subsidiaries, in each case free and clear of any Lien, and all such shares are duly issued, fully paid and non-assessable.

(b) Each of the Company and its Subsidiaries has, and after consummation of the transactions contemplated by the Purchase Agreement will have, good and marketable title to the real property and personal property owned by it (a fee simple title in the case of all real property constituting a part of such property which is not subject to a leasehold interest, and a leasehold estate in that portion of such property which constitutes a leasehold), free and clear of all Liens, except those permitted by subsection 8.1. Schedule 4 sets forth a complete list of

all mortgages and security agreements which create Liens upon any of the assets of the Company or any of its Subsidiaries.

(c) Upon completion of the filings and recordings described in Schedule 5, and, in the case of the IMC Assets, upon consummation of the purchase thereof under the Purchase Agreement: (i) each of the 1982 Mortgages will constitute a fully perfected mortgage lien and security interest upon the property therein described of the priority indicated therein subject only to Permitted Exceptions; and (ii) each of the 1982 Security Agreements will constitute a fully perfected security interest in the collateral referred to therein of the priority stated therein.

5.9 Outstanding Debt. Neither the Company nor any of its Subsidiaries has outstanding any Debt except as permitted by subsection 8.2. Schedule 6 sets forth a complete and accurate description of all Debt of the Company and its Subsidiaries outstanding on the date hereof. There exists no default under the provisions of any instrument evidencing any such Debt or of any Agreement relating thereto.

5.10 No Burdensome Restrictions. No Contractual Obligation of the Company or any of its Subsidiaries and no Requirement of Law materially adversely affects, or insofar as the Company may reasonably foresee will so affect, the business, operations, property or financial or other condition of the Company or any of its Subsidiaries.

5.11 Taxes. Each of the Company and its Subsidiaries has filed or caused to be filed all tax returns which to the knowledge of the Company are required to be filed, and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any amount the validity of which is currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on its books); and no tax liens have been filed, and to the knowledge of the Company, no claims are being asserted with respect to any such taxes, fees or other charges. The Federal income

tax liabilities of the Company and its Subsidiaries have been examined and reported on by the Internal Revenue Service (or closed by applicable statutes) and satisfied for all fiscal years prior to and including the fiscal year ended December 31, 19\_\_.

5.12 Regulations G, T, X and U. Neither the Company nor any of its Subsidiaries is engaged or will engage, principally or as one of its important activities, in the business of extending credit for the purpose of "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under either Regulation G or Regulation U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect. No part of the proceeds of any loans hereunder will be used for "purchasing" or "carrying" "margin stock" as so defined or for any purpose which violates, or which would be inconsistent with, the provisions of the Regulations of such Board of Governors (including, without limitation, Regulations G, T, X and U or any successor thereto), or of the Federal Securities Act of 1933, as amended, or of the Federal Securities and Exchange Act of 1934, as amended. No Lender is required to obtain a statement from the Company on Federal Reserve Form G-3 or U-1 with respect to the extension of credit hereunder.

5.13 ERISA. No prohibited transaction or accumulated funding deficiency (each as defined in Section 9 hereof) or Reportable Event has occurred since July 1, 1974 with respect to any Single Employer Plan except as disclosed in the Company's letter to the Lenders dated \_\_\_\_\_, 1982. The present value of all benefits vested under all Single Employer Plans maintained by the Company or a Commonly Controlled Entity (based on those assumptions used to fund the Plans) did not, as of the last annual valuation date, which in the case of each Plan was not earlier than \_\_\_\_\_, 19\_\_ exceed the value of the assets of the Plan allocable to such vested benefits by more than \$ \_\_\_\_\_. Neither the Company nor any Commonly Controlled Entity is or has been an "employer" (as defined in Section 3(5) of ERISA) with respect to any Multiemployer Plan.

5.14 Patents, Trademarks, Etc. Each of the Company and its Subsidiaries owns or possesses all patents,

trademarks, service marks, trade names, copyrights and licenses, or all rights with respect to the foregoing, necessary for the conduct of its business as now conducted and presently proposed to be conducted, without any known conflict or reason to know of any conflict with the rights of others.

5.15 Ownership of Stock. Neither the Company nor any Subsidiary owns any share of the capital stock of, or other equity or ownership interest in, any other corporation, firm, partnership or other entity, except that the Company owns all of the shares of the issued and outstanding capital stock of its Subsidiaries.

5.16 Representations Contained in the Purchase Agreement. (a) The representations and warranties of IMC set forth in Section 8 of the Purchase Agreement are true and correct in all material respects.

(b) The Lenders have each received full, complete and accurate copies of the Purchase Agreement (including all Exhibits thereto) and of each amendment, waiver, supplement or other modification thereof.

5.17 Offering of Notes and Warrants. Neither the Company nor any agent acting on its behalf has offered any of the Notes or the Warrants of any similar securities of the Company for sale to, or solicited any offers to buy the Notes or the Warrants or any similar securities of the Company from, any Person or Persons other than the Lenders, and neither the Company nor any agent acting on its behalf will take any action which would subject the issuance or sale of the Notes or the Warrants to the provisions of Section 5 of the Securities Act of 1933, as amended.

5.18 Employee Benefits. No rights to severance pay or other benefits for which the Company or any Subsidiary would be responsible will accrue to any Person currently employed in connection with the IMC Assets as a result of the execution and delivery of the Purchase Agreement or in connection with the transactions contemplated thereby, except for certain accrued vacation pay for periods of employment prior to the closing under the Purchase Agreement, for which IMC shall reimburse the Company substantially in full as set forth in the Purchase Agreement.

5.19 Adequate Disclosure. Neither this Agreement nor any other document, certificate or instrument delivered to the Lenders by or on behalf of the Company in connection with the transactions contemplated hereby, in each case as of its date, contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein and therein not misleading. There is no fact known to the Company which materially adversely affects or in the future may materially adversely affect the business or financial condition of the Company or any Subsidiary or any of the respective properties or assets thereof (including the IMC Assets and the Hooker Venture), which has not been set forth in this Agreement or in the other documents, certificates, and instruments delivered to you by or on behalf of the Company specifically for use in connection with the transactions contemplated hereby.

5.20 Capital Stock. (a) The authorized capital stock of the Company consists of:

(i) 1,000,000 shares of Preferred Stock, par value \$.10 per share (the "Preferred Stock"), of which 151,749 shares of Series C Preferred Stock have been duly issued, and are validly outstanding, fully paid and nonassessable,

(ii) 2,000,000 shares of Common Stock, of which 673,041 shares have been duly issued, and are validly outstanding, fully paid and nonassessable, and 49,262 shares are held in the treasury of the Company, and

(iii) 700,000 shares of Class B Common Stock, none of which is issued and outstanding.

(b) The following shares of such capital stock have been duly reserved for issuance:

(i) 150,000 shares of Common Stock for issuance upon exercise of the MHT 1972 Warrants,

(ii) 8,050 shares of Common Stock for issuance upon exercise of options by the Company's employees,

(iii) 18,000 shares of Common Stock for issuance upon exercise of options by non-employee directors of the Company,

(iv) 132,000 shares of Common Stock for issuance upon exercise of options granted and to be granted to employees under the Company's Key Management Stock Option Plan,

(v) 675,000 shares of voting Common Stock for issuance upon conversion of the Class B Common Stock, and

(vi) 300,000 shares of Class B Common Stock for issuance upon exercise of the Prudential 1979 Warrant and the Warrants.

(c) There are no other outstanding rights, options, warrants or agreements for the purchase or acquisition from or sale by the Company of any of its capital stock. No shares of capital stock of the Company are owned or held by or for the account of the Company other than 49,262 shares of Common Stock referred to above held in the treasury of the Company.

5.21 Warrant Stock. The Class B Common Stock of the Company issuable upon exercise of the Warrants has been duly authorized by all necessary shareholder and corporate action on the part of the Company. The certificates representing the shares of such stock issued upon the exercise of the Warrants will be duly executed and delivered by duly authorized officers of the Company and upon such delivery and upon exercise of the Warrants such shares will be validly issued and fully paid and non-assessable, with no personal liability attaching to the ownership thereof.

## SECTION 6. CONDITIONS PRECEDENT

6.1 Conditions of Term Loans. The obligation of each Lender to make a term loan hereunder on the Initial Borrowing Date is subject to the satisfaction of the following conditions precedent:

(a) Term Notes. Each Lender shall have received its Term Note conforming to the requirements hereof and executed by a duly authorized officer of the Company.

(b) Acquisition of IMC Assets. The Company shall have delivered to each Lender a true and complete copy of the Purchase Agreement (including all Exhibits and Schedules annexed thereto, and all amendments, waivers, supplements and other modifications thereof), certified to be such on the date of such loans by the Secretary of the Company. The acquisition of the IMC Assets in accordance with the terms thereof shall, simultaneously with the making of such loans, be completed to the satisfaction of the Lenders, without any amendment, supplement, waiver or other modification of the terms of the Purchase Agreement not consented to in writing by the Lenders. The Lenders shall be satisfied with the state of the IMC Assets, including, without limitation, the Hooker Venture.

(c) 1979 Indebtedness and Security.

(i) Each Lender shall have received duly executed copies of amendments to the 1979 MHT Agreement and the 1979 Prudential Agreement, substantially in the respective forms of Exhibits S and T, consenting to the transactions contemplated hereby and conforming the covenants contained therein to those contained herein.

(ii) Each Lender shall have received (x) duly executed, witnessed and acknowledged copies of amendments to the 1979 First Mortgage and the 1979 Second Mortgage, substantially in the respective forms of Exhibits U and V, and (y) evidence of the recordation of each such amendment at each office specified in Part I of Schedule 5.

(iii) Prudential, MHT, the 1979 First Mortgage Trustees and the 1979 Second Mortgage Trustees shall have received endorsements, dated the respective dates of the amendments referred to in clause (ii) above, to the policies of title insurance listed in Schedule 7, which endorsements shall insure that (x) except as expressly provided in such amendments, the recordation of such amendments shall not disturb the lien or priority of the 1979 First Mortgage or the 1979 Second Mortgage, respectively, and (ii) as of the date of such endorsements, the respective properties subject to the liens of the 1979 First Mortgage and the 1979 Second Mortgage are subject to no liens or encumbrances other than Permitted Exceptions.

(d) Consents. Each Lender shall have received duly executed copies of:

(i) IMC. A consent of IMC to the assignment of the Letter of Credit and certain of the Company's rights under the Purchase Agreement pursuant to the Hooker-IMC Security Agreement, dated not more than 30 days prior to the Initial Borrowing Date and substantially in the form of Exhibit W.

(ii) Allied. Consents of Allied (x) under the 1979 Second Mortgage to the Liens created by the IMC Mortgage, the Security Agreement, the Second Airplane Mortgage and the Third Mortgage and (y) under the Allied Note Agreement, the Moundsville First Mortgage and the Moundsville First Security Agreement to the Moundsville Second Mortgage and the Subsidiaries Subordinated Security Agreement ("Moundsville"), dated not more than 30 days prior to the Initial Borrowing Date and substantially in the form of Exhibit X.

(iii) Midlantic. Consents of Midlantic (x) under the Tridyn First Security Agreement and the Tridyn First Mortgage to the Liens created by the Tridyn Second Mortgage and the Subsidiaries Subordinated Security Agreement to which Plastics-North Carolina is a party, and (y) under the First Airplace Mortgage to the Liens created by the Second Airplane Mortgage, dated no more than 30 days prior to the Initial Borrowing Date and substantially in the form of Exhibit Y.

(iv) International Salt. Consents of (x) International Salt under the 1979 Second Mortgage to the Liens created by the IMC Mortgage, the Security Agreement, the Second Airplane Mortgage and the Third Mortgage, and (y) Antilles International Salt under the 1979 Second Mortgage to the Liens created by the IMC Mortgage, the Security Agreement, the Second Airplane Mortgage and the Third Mortgage, dated not more than 30 days prior to the Initial Borrowing Date and substantially in the form of Exhibit Z.

(v) Trustees. Consents of the 1979 First Mortgage Trustees under the 1979 First Mortgage and the 1979 Second Mortgage Trustees under the 1979

Second Mortgage to the Liens created by the IMC Mortgage, the Security Agreement, the Second Airplane Mortgage and the Third Mortgage, dated not more than 30 days prior to the Initial Borrowing Date and substantially in the form of Exhibit AA.

(vi) Governmental Consents. Copies of each consent of, filing with or other act of a Governmental Authority referred to in subsection 5.4, each certified to be true, complete and in full force and effect on and as of the Initial Borrowing Date.

(e) Inter-Creditor Agreement. Each Lender shall have received a copy of the Inter-Creditor Agreement duly executed by each party thereto.

(f) Demand Notes. MHT shall have received concurrently with the term loans an amount of term loan proceeds (not to exceed \$8,000,000) equal to the balance of the Demand Notes.

(g) Justice Department Inquiry. Each Lender shall have received, with respect to the inquiry of the United States Department of Justice relating to the acquisition of the IMC Assets, (i) if such inquiry has been formally terminated, certified copies of the official documents announcing such termination or (ii) if such inquiry has not been so terminated, certified copies of each letter and other official communication to the Company with respect thereto, and the status of such inquiry, if not formally terminated, shall be satisfactory to each Lender.

(h) ERISA; Labor Relations. Each Lender shall be satisfied with the labor relations and the status under ERISA of the entities resulting from the consummation of the purchase of the IMC Assets and the mergers consummated pursuant to clause (h) of this subsection 6.1.

(i) Mergers. The former Subsidiaries of the Company listed under the heading "Former Subsidiaries" on Schedule 1 shall have been merged into the Company. Each Lender shall have received certified copies of the documents, filings, etc., relating to such mergers as described on Schedule 8.

(j) Legal Opinions. Each Lender shall have received (i) an opinion of Shanley & Fisher, counsel to the Company, substantially in the form of Exhibit BB; (ii) an opinion of Brittan, Cohen, Kaufman, Benson & Schautz, special Florida counsel to the Lenders, substantially in the form of Exhibit CC; (iii) an opinion of Long, Aldridge, Heiner, Stevens & Sumner, special Georgia counsel to the Lenders, substantially in the form of Exhibit DD; (iv) an opinion of Mitchell & Stearns, special Maine counsel to the Lenders, substantially in the form of Exhibit EE; (v) an opinion of Wein Lane and Malkin special New York counsel to the Company, substantially in the form of Exhibit FF; (vi) an opinion of Smith, Moore, Smith, Schell & Hunter, special North Carolina counsel to the Lenders, substantially in the form of Exhibit GG; (vii) an opinion of Thompson, Hine & Flory, special Ohio counsel to the Lenders, substantially in the form of Exhibit HH; (viii) an opinion of Rickey, Chase, Chase & Hyre, special West Virginia counsel to the Lenders, substantially in the form of Exhibit II; (ix) an opinion of Ames, Dougherty, Black, Ashabraner, Rogers & Fowler, special federal aviation authority counsel to the Lenders, substantially in the form of Exhibit JJ; and (x) an opinion of Alvord and Alvord, special Interstate Commerce Commission counsel to the Lenders, substantially in the form of Exhibit KK. Such opinions shall also cover such other matters incident to the transactions contemplated by this Agreement as the Agent or any Lender shall reasonably require. In addition, Prudential shall have received an opinion of Debevoise & Plimpton, special counsel to Prudential, dated the Initial Borrowing Date and addressed to Prudential, in form and substance satisfactory to Prudential.

(k) Borrowing Certificate. The Agent shall have received, with a counterpart for each Lender, a Borrowing Certificate dated the Initial Borrowing Date, substantially in the form of Exhibit B-1, with appropriate insertions and attachments satisfactory in form and substance to the Agent and its counsel, executed by the President or Vice President and Secretary or Assistant Secretary of the Company.

(l) Warrants. Each Lender shall have received a duly executed copy of the Warrant for such Lender.

(m) Security Documents. Each Lender, the Trustees and the Agent shall have received duly executed (and, if appropriate, witnessed and acknowledged) copies of:

(i) 1982 Mortgages. Each 1982 Mortgage, together with: (v) evidence of the recordation thereof and the filing of corresponding financing statements at each office specified in Part II of Schedule 5, (x) receipts for payment of all related filing fees and taxes, including, without limitation, Florida intangibles tax, if any, to the extent required by law, (y) mortgagee's interest title insurance policies on each property subject thereto insuring the interests of the Trustees under each of the 1982 Mortgages, issued by insurance companies satisfactory to the Lenders, on the 1980 ALTA lender's form of title insurance policy in amounts and with provisions satisfactory to the Lenders and (z) copies of current surveys of the real property described the IMC First Mortgage and updating certificates for surveys of the real property described in the other 1982 Mortgages, all certified to and satisfactory to the Lenders.

(ii) The 1982 Security Agreements. Each 1982 Security Agreement, together with: (x) evidence of each filing with respect thereto specified in Part III of Schedule 5, (y) receipts for payment of all related filing fees and taxes and (z) a report of a Uniform Commercial Code search and tax and judgment lien search issued by [Infosearch, Inc.], satisfactory in form and substance to the Lenders.

(n) The IMC Second Mortgages. The IMC Second Mortgages, together with: (i) evidence of the recordation thereof at each office specified in Part II of Schedule 5 for the IMC First Mortgage, (ii) receipts for payment of all related filing fees and taxes, to the extent required by law (iii) mortgagee's interest title insurance policies on each property subject thereto insuring the interests of the Trustees thereunder, issued by insurance companies satisfactory to the Lenders, on the 1980 ALTA lender's form of title insurance policy in amounts and with provisions satisfactory to the Lenders and (iv) copies of current surveys of the real property described in such Mortgages, certified to and satisfactory to the Lenders.

(o) Insurance. The Company shall have delivered a certificate of a Responsible Officer satisfactory to each Lender, setting forth the particulars as to the insurance required by the Security Documents and certifying that such insurance is in full force and effect and complies with the requirements of such Security Documents and that all premiums due thereon have been paid, and the Trustees or the Agent, as the case may be, shall have received the originals of all insurance policies or, in the case of blanket policies, certificates thereof by the insurers (with provision for deductible amount acceptable to the Lenders) relating to such insurance as provided in such Security Documents.

(p) Income Tax Letter. The Company shall have delivered to each Lender a letter from Touche Ross & Co., independent accountants, addressed to the Lenders stating that such firm has reviewed the Federal and state income tax returns of the Company and its Subsidiaries for all fiscal years subsequent to the fiscal year ended September 30, 19\_\_, and, that, in the opinion of such firm, the Company and its Subsidiaries have paid or caused to be paid, or have established adequate reserves for payment of, all Federal and state income tax liabilities of the Company and its Subsidiaries for such subsequent fiscal years.

(q) Authorization of Class B Common Stock; Reservation of Shares. (i) The Certificate of Incorporation of the Company shall have been amended to authorize \_\_\_\_\_ shares of Class B Common Stock in the form set forth in Exhibit LL, hereto; except as so amended, the Certificate of Incorporation shall not have been amended or modified since \_\_\_\_\_.

(ii) The Board of Directors of the Company shall have reserved: \_\_\_\_\_ shares of Class B Common Stock for issuance upon exercise of the Warrants and \_\_\_\_\_ shares of Common Stock for issuance upon the conversion of Class B Common Stock into Common Stock.

(r) Loans Permitted by Applicable Laws. The loans to be made by each Lender on the Borrowing Date on the terms and conditions herein provided (including the use of proceeds of the loans by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, Regulations G, T, U and X of the Board

of Governors of the Federal Reserve System) and shall not subject any Lender to any tax, penalty, liability or other onerous condition under or pursuant to any applicable law or governmental regulation, and each Lender shall have received such certificates or other evidence as each such Lender may request to establish compliance with this condition.

(s) The IMC Letter of Credit. The Agent shall have received the Letter of Credit issued by Citibank N.A. contemplated by the Hooker-IMC Security Agreement and a written consent of Citibank N.A. to the transfer thereof to the Agent for the benefit of the Lenders. Such letter of credit and consent shall each be in form and substance satisfactory to each Lender and its counsel.

(t) Lenders Acknowledgment. For the benefit of the other two Lenders, each Lender shall have acknowledged in writing its agreement that each condition precedent to the making of the term loans hereunder has been duly met to the satisfaction of such Lender. As among the Lenders and the Agent, such acknowledgment shall be conclusive.

(u) Additional Matters. All other documents and legal matters in connection with the transactions contemplated by this Agreement shall be satisfactory in form and substance to each Lender and its counsel and each Lender and its counsel shall have received all such counterpart originals or certified or other copies of such documents as such Lender or its counsel may reasonably request.

6.2 Conditions to each Revolving Credit Loan. The obligation of each Lender to make any revolving credit loan to be made by it hereunder is subject to the satisfaction of the following conditions precedent:

(a) Term Loan Closing. The term loans shall have been made prior to the initial revolving credit loan.

(b) Revolving Credit Notes. Each Lender shall have received a Revolving Credit Note conforming to the requirements hereof and executed by a duly authorized officer of the Company.

(c) Representations and Warranties. The representations and warranties made by the Company herein or which are contained in any certificate, document or financial or other statement furnished at any time under or in connection herewith, shall be correct on and as of the Borrowing Date for such loan as if made on and as of such date.

(d) No Default or Event of Default. No Default or Event of Default shall have occurred and be continuing on such date or after giving effect to the loan to be made on such Borrowing Date.

(e) Loans Permitted by Applicable Laws. The revolving credit loan to be made by each Lender on such Borrowing Date on the terms and conditions herein provided (including the use of proceeds of the loans by the Company) shall not violate any applicable law or governmental regulation (including, without limitation, Regulations G, T, U and X of the Board of Governors of the Federal Reserve System) and shall not subject any Lender to any tax, penalty, liability or other onerous condition under or pursuant to any applicable law or governmental regulation, and each Lender shall have received such certificates or other evidence as each such Lender may request to establish compliance with this condition.

(f) Borrowing Base Certificate. The Agent shall have received for the account of each Lender a Borrowing Base Certificate by a Responsible Officer, dated such Borrowing Date and certifying the amount of the Borrowing Base as of a date not more than 30 days prior to such Borrowing Date.

(g) Borrowing Certificate. The Agent shall have received for the account of each Lender a Borrowing Certificate by a Responsible Officer, dated such Borrowing Date, substantially in the form of Exhibit B-2.

#### SECTION 7. AFFIRMATIVE COVENANTS

The Company hereby agrees that, so long as the Revolving Credit Commitments remain in effect or any Note remains outstanding and unpaid or any other amount is owing to any Lender or the Agent hereunder, the Company

shall, and in the case of the agreements set forth in subsections 7.3, 7.4, 7.5 and 7.6 shall cause each of its Subsidiaries to:

7.1 Financial Statements. Furnish to each Lender:

(a) as soon as available, but in any event within one hundred and twenty (120) days after the end of each fiscal year of the Company, a copy of (i) the consolidated balance sheet of the Company and its Subsidiaries as at the end of such year and the related consolidated statements of income and retained earnings and changes in financial position for such year, setting forth in each case in comparative form the figures for the previous year, satisfactory in scope to each Lender and reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing whose report shall be in scope and substance satisfactory to each Lender, and (ii) the consolidating balance sheet of the Company and its Subsidiaries as at the end of such fiscal year, showing inter-company eliminations, and the related consolidating statements of income and retained earnings and changes in financial position of the Company and its Subsidiaries for such year, showing inter-company eliminations, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer as being fairly stated in all material respects when considered in relation to the consolidated financial statements of the Company and its Subsidiaries;

(b) as soon as available, but in any event not later than forty-five (45) days after the end of each of the first three quarterly periods of each fiscal year of the Company, the unaudited consolidating and consolidated balance sheet of the Company and its Subsidiaries as at the end of each such quarter and the related unaudited consolidating and consolidated statements of income and retained earnings and changes in financial position of the Company and its Subsidiaries for such quarterly period and the portion of such fiscal year through such date, setting forth

in each case in comparative form the figures for the previous year, certified by a Responsible Officer (subject to normal year-end audit adjustments); and

(c) as soon as available, but in any event within forty-five (45) days after the end of each calendar month of each fiscal year of the Company, the unaudited consolidating and consolidated balance sheet of the Company and its Subsidiaries as at the end of each such calendar month and the related unaudited consolidating and consolidated statements of income and retained earnings and changes in financial position of the Company and its Subsidiaries for such calendar month and the portion of the fiscal year through such date, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer (subject to normal year-end adjustments);

all such financial statements to be complete and correct in all material respects and be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as approved by such accountants or officer, as the case may be, and disclosed therein).

7.2 Certificates; Other Information. Furnish to each Lender:

(a) concurrently with the delivery of the financial statements referred to in subsection 7.1(a) above, a certificate of the independent certified public accountants certifying such financial statements: (i) stating the amount of Net Available Cash Flow for the fiscal year covered by such financial statement, showing in detail the calculations supporting said amount, and (ii) stating that in making the examination necessary to report upon such statements no knowledge was obtained of any Default or Event of Default, except as specified in such certificate;

(b) concurrently with the delivery of the financial statements referred to in subsections 7.1(a), (b) and (c) above;

(i) a certificate of a Responsible Officer (x) stating that, to the best of such officer's knowledge, the Company during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Agreement and in the Notes to be observed, performed or satisfied by it, and that such officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate; and

(ii) setting forth (except to the extent specifically set forth in such financial statements) (A) the amount of all contributions made during such accounting period by the Company and its Subsidiaries to the LCP ESOT and the LCP Savings Plan and the amount of such contributions which were required to be made under any contractual or other mandatory provision relating thereto, the amount of such contributions which were optional, and the aggregate amount of payments made for repurchases of Common Stock from participants in the LCP ESOT or the LCP Savings Plan (or their beneficiaries) pursuant to the "put" or the first refusal provisions thereof, (B) the amount of Net Available Cash Flow for such accounting period, and for the current fiscal year through the end of such accounting period, setting forth, in each case in the form of Schedule 3, the calculations required to arrive at such amounts, (C) the amount of all payments, if any, made pursuant to the Letter of Credit or section 4 of the Purchase Agreement, (D) the aggregate amount of interest expense on all Debt during such accounting period (specifying separately the amount of interest expense with respect to the Revolving Credit Notes and with respect to the Term Notes), (E) the respective amounts of Consolidated Working Capital, Consolidated Net Tangible Assets, Consolidated Funded Debt, Net Earnings Available for Restricted Payments, and Cash Flow Available for Restricted Payments at the end of such accounting period, (F) the amount of any Restricted Payments made during such accounting period (including the Restricted Payments made pursuant to clause (c) of subsection 8.5), (G) the amount of any loans or advances permitted by subsection 8.6 at the end of such accounting period, (H) the aggregate amount of rental expenses incurred during such accounting period

by the Company and its Subsidiaries which were of the kind of subject to the restrictions of subsection 8.9 and the aggregate amount of all rental expenses incurred during such period by the Company and its Subsidiaries, (I) the amount of capital expenditures made during such accounting period and (J) the amount of depreciation on tangible assets charged on the books of the Company and its Subsidiaries during such accounting period; and

(iii) a Borrowing Base Certificate, certifying the amount of the Borrowing Base as of the last day of the accounting period to which such financial statements relate;

(c) promptly, such additional financial and other information as any Lender may from time to time reasonably request.

7.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its indebtedness and other obligations of whatever nature, except, in the case of indebtedness other than that described in Section 9(e), when the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on its books of the Company or its Subsidiaries as the case may be.

7.4 Conduct of Business and Maintenance of Existence. Continue to engage in business of the same general type as now conducted by it, and preserve, renew and keep in full force and effect its corporate existence and take all reasonable action to maintain all rights, privileges and franchises necessary or desirable in the normal conduct of its business; comply with all Contractual Obligations to the extent that the failure to comply therewith could not, in the aggregate, have a material adverse effect on the business, operations, property or financial or other condition of the Company or any of its Subsidiaries.

7.5 Maintenance of Property, Insurance. Keep all property useful and necessary in its business in good working order and condition; maintain with financially

sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption risks) as are usually insured against in the same general area by companies engaged in the same or a similar business; and furnish to each Lender, upon written request, full information as to the insurance carried.

7.6 Inspection of Property; Books and Records; Discussions. Keep proper books of record and account in which full, true and correct entries in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities; and permit representatives of any Lender to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the Company and its Subsidiaries with officers and employees of the Company and its Subsidiaries and with its independent certified public accountants.

7.7 Notices. Promptly give notice to the Agent and each Lender:

(a) of the occurrence of any Default or Event of Default;

(b) of any (i) default or event of default under any Contractual Obligation of the Company or any of its Subsidiaries or (ii) litigation, investigation or proceeding which may exist at any time between the Company or any of its Subsidiaries and any Governmental Authority, which in either case could have a material adverse effect on the business, operations, property or financial or other condition of the Company or any of its Subsidiaries;

(c) of any litigation or proceeding affecting the Company or any of its Subsidiaries in which the amount involved is \$100,000 or more and is not covered by insurance or in which injunctive or similar relief is sought;

(d) of the following events, as soon as possible and in any event within thirty (30) days after the Company knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Plan, or (ii) the institution of proceedings or the taking or expected taking of any other action by PBGC or the Company or any Commonly Controlled Entity to terminate, withdraw or partially withdraw from any Plan and with respect to a Multiemployer Plan, the reorganization or insolvency of the Plan, and in addition to such notice, deliver to the Agent and each Lender whichever of the following may be applicable: (A) a certificate of the chief financial officer of the Company setting forth details as to such Reportable Event and the action that the Company or Commonly Controlled Entity proposes to take with respect thereto, together with a copy of any notice of such Reportable Event that may be required to be filed with PBGC, or (B) any notice delivered by PBGC evidencing its intent to institute such proceedings or any notice to PBGC that such Plan is to be terminated, as the case may be; and

(e) of a material adverse change in the business, operations, property or financial or other condition of the Company or any of its Subsidiaries.

Each notice pursuant to this subsection shall be accompanied by a statement of the chief executive officer or chief financial officer of the Company setting forth details of the occurrence referred to therein and stating what action the Company proposes to take with respect thereto. For all purposes of clause (d) of this subsection, the Company shall be deemed to have all knowledge or knowledge of all facts attributable to the administrator of such Plan.

#### SECTION 8. NEGATIVE COVENANTS

The Company hereby agrees that, so long as the Revolving Credit Commitments remain in effect or any Note remains outstanding and unpaid or any other amount is owing to any Lender or the Agent hereunder, the Company shall not, nor shall it permit any of its Subsidiaries to, directly or indirectly:

8.1 Liens. Create, incur or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired, except:

(a) Liens existing on the date hereof which were created by the First Airplane Mortgage, the Moundsville First Mortgage, the Moundsville First Security Agreement, the 1979 First Mortgage, the 1979 Second Mortgage, the Tridyn First Mortgage and the Tridyn First Security Agreement, but only to the extent that the Debt secured by such Liens is permitted by subsection 8.2(a);

(b) Liens created by the Security Documents; and

(c) Permitted Exceptions, as such term is defined in the 1982 Mortgages.

8.2. Debt. Create, incur, assume or suffer to exist any Debt, except:

(a) Funded Debt of the Company and its Subsidiaries (including Funded Debt consisting of guaranties) outstanding on the date hereof and referred to in Schedule 6, provided that the Company and its Subsidiaries shall pay such Funded Debt in accordance with the terms presently applicable thereto without amendment or modification thereof, and may not modify, extend, renew or refund any thereof, and provided, further, that the Company shall on the Initial Borrowing Date pay in full the Demand Notes referred to in item \_\_ of Schedule 6;

(b) Funded Debt of the Company represented by the Notes;

(c) Funded Debt of the Company in respect of Capital Leases which are permitted under subsection 8.9; and

(d) Funded Debt of the Company consisting of notes payable to one or more insurance companies for the purpose of financing premiums due under the Company's insurance policies with such insurance companies, provided that the aggregate amount of such Funded Debt outstanding shall not at any time exceed \$1,200,000.

8.3 Working Capital. Permit Consolidated Working Capital to be less than

(a) \$20,000,000 at any time after the date hereof and prior to January 1, 1983, (b) \$22,000,000 at any time after December 31, 1982 and prior to January 1, 1984, (c) \$24,000,000 at any time after December 31, 1983 and prior to January 1, 1985, and (d) \$26,000,000 at any time after December 31, 1984.

8.4 IMC-Hooker Payables. Permit the payment obligations to IMC with respect to products purchased from, and other amounts payable with respect to, the Hooker Venture to have an average aging of more than 60 days at any time.

8.5 Dividends; Etc. (a) Except for payments permitted by paragraph (c) of this subsection 8.5, pay or declare any dividend on any class of the capital stock of the Company or make any other distribution on account of any class thereof, or redeem, purchase or otherwise acquire, directly or indirectly, any shares thereof (all of the foregoing being herein called "Restricted Payments"), provided, however, that the Company may make a Restricted Payment if, after giving effect to such proposed Restricted Payment, (i) Consolidated Funded Debt would be less than 50% of Consolidated Net Tangible Assets and (ii) the Company has available at least \$1 of Net Earnings Available for Restricted Payments and \$1 of Cash Flow Available for Restricted Payments.

(b) For purposes of this subsection 8.5, "Net Earnings" shall mean the consolidated gross revenues of the Company less all operating and non-operating expenses of the Company, including all charges of a proper character (including current and deferred taxes on income, provisions for taxes on unremitted foreign earnings and current additions to reserves), but not including in gross revenues any gains (net of expenses and taxes applicable thereto) in excess of losses resulting from the sale, conversion or other disposition of capital assets (i.e., assets other than current assets), any gains resulting from the write-up of assets, any equity of the Company in the undistributed earnings of any other corporation, including a Subsidiary, any earnings of any corporation acquired by the Company or any of its Subsidiaries through purchase,

merger or consolidation or otherwise for any time prior to the date of acquisition, or any deferred credits representing the excess of equity in any of its Subsidiaries at the date of acquisition over the cost of the investment in such Subsidiary, all determined in accordance with GAAP (except to the extent inconsistent with this definition). "Net Earnings Available for Restricted Payments" on any date shall mean an amount equal to (1) 50% (or minus 100% in the event of a deficit) of Net Earnings for the period (taken as one accounting period) commencing on the Applicable Computation Date and terminating at the end of the last fiscal quarter preceding the date of any proposed Restricted Payment, less (2) the sum of (A) the aggregate amount of all dividends and other distributions paid or declared by the Company on any class of its stock after the Applicable Computation Date, plus (B) the excess of the aggregate amount expended, directly or indirectly, after the Applicable Computation Date, for the redemption, purchase or other acquisition of any shares of the Company's stock over the aggregate amount received after the Applicable Computation Date as the net cash proceeds of the sale of any shares of the Company's stock (but not including the proceeds of the sale of any shares of the Company's stock to any employee benefit plan of the Company and its Subsidiaries (including, without limitation, the LCP ESOT and the LCP Savings Plan) or the proceeds of any convertible indebtedness or of any stock issued upon conversion of any principal amount thereof). "Cash Flow Available for Restricted Payments" on any date shall mean an amount equal to (1) 25% of Net Available Cash Flow for the immediately preceding fiscal year of the Company, less (2) the aggregate amount of all Restricted Payments since the beginning of the then current fiscal year of the Company. The "Applicable Computation Date" with respect to any Restricted Payment shall be the first day (the "Initial Applicable Computation Date") on which Consolidated Funded Debt is less than 50% of Consolidated Net Tangible Assets, provided, however, that if, subsequent to such Date, Consolidated Funded Debt shall be more than 50% of Consolidated Net Tangible Assets, the Applicable Computation Date shall be either (1) the first day thereafter on which Consolidated Funded Debt shall be less than 50% of Consolidated Net Tangible Assets or (2) the Initial Applicable Computation Date, whichever shall yield the lesser amount of Net Earnings Available for Restricted Payments.

(c) The provisions of paragraph (a) of this subsection 8.5 shall not prevent the Company from making any Restricted Payment consisting of (i) any dividend payable with respect to any Original Series C Preferred Shares pursuant to Section 1 of paragraph FIRST of the Series C Preferred Stock Certificate, (ii) any redemption of any Original Series C Preferred Shares pursuant to subdivisions (b), (c) or (d) of section 5 of paragraph FIRST of the Series C Preferred Stock Certificate and (iii) any payment made on account of accrued and unpaid dividends on any Original Series C Preferred Shares pursuant to the Series C Preferred Stock Certificate, provided that the total amount of all Restricted Payments made pursuant to this paragraph (c) shall be deducted from Net Earnings Available for Restricted Payments and Cash Flow Available for Restricted Payments for purposes of computations under paragraph (a) of this subsection 8.5.

(d) There shall not be included in Restricted Payments or in any computation of Net Earnings Available for Restricted Payments and Cash Flow Available for Restricted Payments: (A) dividends payable in stock of the Company; (B) exchanges of stock of one or more classes of the Company, except to the extent that cash or other value is involved in such exchange (C) purchases of Common Stock from participants in the LCP ESOT or the LCP Savings Plan (or their beneficiaries) pursuant to the "put" provision thereof, or (D) purchase other capital stock of the Company to the extent the aggregate amount of all such purchases during any fiscal year of the Company does not exceed \$100,000. The term "stock" as used in this subsection 8.5 shall include warrants or options to purchase stock.

8.6 Loans, Advances and Investments. Make or permit to remain outstanding any loan or advance to, or own, purchase or acquire any stock, obligations or securities of, or any interest in, or make any capital contribution to, any other Person except that:

(a) the Company may continue to own all of the shares of common stock of Chemicals-West Virginia, LCP-Transportation, LCP Enterprises, Inc., a New Jersey corporation, and Plastics-North Carolina owned on the date hereof;

(b) the Company may (i) permit to remain outstanding investments made prior to the date hereof in Plastics-North Carolina in an aggregate amount not exceeding \$500,000 and (ii) make and permit to remain outstanding investments after the date hereof to Plastics-North Carolina in an aggregate amount not to exceed \$300,000;

(c) the Company may permit to remain outstanding (i) investments made prior to the date hereof in Chemicals-West Virginia in an aggregate amount not exceeding \$100,000 and (ii) loans and advances made prior to the date hereof to Chemicals-West Virginia in an aggregate amount not exceeding \$400,000;

(d) the Company may purchase its own capital stock to the extent permitted by subsection 8.5;

(e) the Company or any Subsidiary may acquire and own stock, obligations or securities received in settlement of debts (created in the ordinary course of business) owing to the Company or any of its Subsidiaries;

(f) the Company or any Subsidiary may own, purchase, or acquire (i) commercial paper maturing not in excess of one year from the date of acquisition and rated P-1 by Moody's Investors Service, Inc. or A-1 by Standard & Poor's Corporation on the date of acquisition, (ii) certificates of deposit of Summit and Elizabeth Trust Company and of other United States commercial banks having a combined capital and surplus in excess of \$100,000,000 and (iii) obligations of the United States Government or any agency thereof and obligations guaranteed by the United States Government, in each case maturing not in excess of one year from the date of acquisition;

(g) the Company or any Subsidiary may make and permit to remain outstanding advances in the ordinary course of business to employees for travel and related expenses; and

(h) the Company may permit to remain outstanding and renew loans to key executives of the Company pursuant to an executive compensation plan, provided

that the aggregate amount of such loans shall not at any time exceed \$136,500.

8.7 Sale of Stock and Debt of Subsidiaries. Sell or otherwise dispose of any shares of stock or Debt of any of its Subsidiaries.

8.8 Merger and Sale of Assets. Merge or consolidate with any other corporation or sell, lease or transfer or otherwise dispose of all or a substantial part of its assets, to any Person, provided that (a) promptly after the payment in full of the Allied Moundsville Notes, Chemicals-West Virginia shall be merged into the Company and (b) promptly after the payment in full of the Midlantic Tridyn Notes, Plastics-North Carolina shall be merged into the Company.

8.9 Lease Rentals. Enter into, or permit to remain in effect, any agreements to rent or lease (as lessee) any real or personal property (including Capital Leases) for remaining terms (including options to renew or extend any term, whether or not exercised) of more than three years providing for payments by the Company and all of its Subsidiaries on a consolidated basis in an aggregate amount in excess of \$1,250,000 in any twelve consecutive months, provided that there shall not be taken into account in determining compliance with this subsection 8.9:

(a) rentals under leases of sales offices and data processing equipment used in the business of the Company or any of its Subsidiaries;

(b) rentals under leases of rail cars to the extent that the aggregate amount of all rentals payable by the Company and its Subsidiaries under all such leases during any twelve consecutive months does not exceed \$7,000,000; and

(c) rentals under leases relating to dimensionally stable anodes to the extent that the aggregate amount of all rentals payable under all such leases during any twelve consecutive months does not exceed \$4,250,000.

8.10 Sale and Lease-Back. Enter into any arrangement with any bank, insurance company or other

lender or investor or to which such lender or investor is a party providing for the leasing by the Company or any Subsidiary of the Company of real or personal property which has been or is to be sold or transferred by the Company or any Subsidiary of the Company to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such property or rental obligations of the Company or any Subsidiary of the Company.

8.11 Sale or Discount of Receivables. Discount or sell with recourse, or sell for less than the face value thereof, any of its notes or accounts receivable.

8.12 Certain Contracts. Enter into or be a party to:

(a) any contract providing for the making of loans, advances or capital contributions to any Person, or the purchase of any property from any Person, for the purpose of enabling such Person to maintain working capital, net worth or any other balance sheet condition or to pay debts, dividends or expenses, except the Agreement, dated April \_\_, 1982, between the Company and Midlantic relating to Plastics-North Carolina; or

(b) any contract for the purchase of materials, supplies or other property if such contract requires that payment for such materials, supplies or other property shall be made regardless of whether or not delivery of such materials, supplies or other property is ever made or tendered; or

(c) any contract to rent or lease (as lessee) any real or personal property if such contract (or any related document) provides that the obligation to make payments thereunder is absolute and unconditional under conditions not customarily found in commercial leases then in general use or requires that the lessee purchase or otherwise acquire securities or obligations of the lessor; or

(d) any contract for the sale or use (as vendor, lessor or hirer) of materials, supplies or other property if such contract (or any related document)

requires that payment for such materials, supplies or other property, or the use thereof, shall be subordinated to any indebtedness (of the purchaser or user of such materials, supplies or other property) owed or to be owed to any Person; or

(e) any other contract which, in economic effect, is substantially equivalent to a guaranty, except as permitted by subsection 8.2(a).

8.13 Issue or Sale of Capital Stock of Subsidiaries. Issue, sell or dispose of any shares of capital stock of any Subsidiary of the Company of any class (other than directors' qualifying shares).

8.14 Acquisitions. Directly or indirectly, in one transaction or a series of transactions, acquire by purchase or otherwise (or become committed to so acquire), any business or any fixed or capital assets, or any stock or other evidence of beneficial ownership of, any Person, except the Company may purchase the IMC Assets and may make capital expenditures permitted by subsection 8.15.

8.15 Capital Expenditures. Directly or indirectly (by way of the acquisition of the securities of a person or otherwise), make or commit to make (pursuant to a Capital Lease or otherwise), any expenditure in respect of the purchase, lease or other acquisition of fixed or capital assets (excluding normal replacements and maintenance which are properly charged to current operations under GAAP) except for expenditures with respect to replacements and improvements to the existing fixed assets of the Company and its Subsidiaries (to the extent such replacements and improvements do not substantially change the character of the fixed assets replaced or improved and do not substantially change the type or amount of capacity at any particular plant location) not exceeding, in the aggregate for all expenditures made or committed to by the Company and all its Subsidiaries in any year:

(a) for the Company and any of its Subsidiaries, the amounts set forth for such year below, plus, in any year, an amount equal to the lesser of (i) \$2,000,000 and (ii) the excess, if any, of the indicated amount for the immediately preceding year over the amount actually spent during such year:

| <u>Calendar<br/>Year</u>          | <u>Maximum<br/>Amount</u> |
|-----------------------------------|---------------------------|
| 1982                              | \$7,000,000               |
| 1983                              | 6,000,000                 |
| 1984 and each<br>year thereafter; | 5,000,000 plus            |

(b) an additional amount, available during each fiscal year solely for the type of expenditures described above for capital assets owned or leased by the Company or LCP-Transportation, in an amount equal to 25% of the Net Available Cash Flow for the preceding fiscal year.

8.16 Optional Prepayments. Directly or indirectly make any optional prepayment (where the option is that of the debtor) on account of any Debt of the Company or any of its Subsidiaries, except for optional prepayments of the Notes.

#### SECTION 9. EVENTS OF DEFAULT

Upon the occurrence of any of the following events:

(a) The Company shall fail to pay any principal of or interest on any Note, or any other amount payable hereunder, when due in accordance with the terms thereof or hereof; or

(b) Any representation or warranty made or deemed made by the Company herein or which is contained in any certificate, document or financial or other statement furnished at any time under or in connection with this Agreement shall prove to have been incorrect in any material respect on or as of the date made or deemed made; or

(c) The Company shall default in the observance or performance of any agreement contained in Section 8 or in any Security Document (including, without limitation, any "Event of Default" as defined in any 1982 Mortgage), or any Security Document shall for any reason cease to be in full force and effect; or

(d) The Company shall default in the observance or performance of any other agreement contained in this Agreement, and such default shall continue unremedied for a period of 30 days; or

(e) The Company or any of its Subsidiaries shall (i) default in any payment of principal of or interest on any indebtedness (other than the Notes) in respect of money borrowed or Capital Leases or incurred for the deferred purchase price of property or services or evidenced by a note, debenture or other similar written obligation to pay money, beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such indebtedness was created; or (ii) default in the observance or performance of any other agreement or condition relating to any such indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, with the giving of notice if required, such indebtedness to become due prior to its stated maturity; or

(f) (i) The Company or any of its Subsidiaries shall commence any case, proceeding or other action (A) under any existing or future law of any jurisdiction, domestic or foreign, relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding-up, liquidation, dissolution, composition or other relief with respect to it or its debts, or (B) seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its assets, or the Company or any of its Subsidiaries shall make a general assignment for the benefit of its creditors; or (ii) there shall be commenced against the Company or any of its Subsidiaries any case, proceeding or other action of a nature referred to in clause (i) above which (A) results in the entry of an

order for relief or any such adjudication or appointment or (B) remains undismissed, undischarged or unbonded for a period of 60 days; or (iii) there shall be commenced against the Company or any of its Subsidiaries any case, proceeding or other action seeking issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, which results in the entry of an order for any such relief which shall not have been vacated, discharged, or stayed or bonded pending appeal within 60 days from the entry thereof; or (iv) the Company or any of its Subsidiaries shall take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts set forth in clause (i), (ii) or (iii) above; or (v) the Company or any of its Subsidiaries shall generally not, or shall be unable to, or shall admit in writing its inability to, pay its debts as they become due; or

(g) (i) Any Person shall engage in any "prohibited transaction" (as defined in Section 406 of ERISA or Section 4975 of the Code) involving any Plan, (ii) any "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived, shall exist with respect to any Plan, (iii) a Reportable Event shall occur with respect to, or proceedings shall commence to have a trustee appointed, or a trustee shall be appointed, to administer or to terminate, any Single Employer Plan, which Reportable Event or institution of proceedings is, in the reasonable opinion of the Lenders, likely to result in the termination of such Plan for purposes of Title IV of ERISA, and, in the case of a Reportable Event, the continuance of such Reportable Event unremedied for ten days after notice of such Reportable Event pursuant to Section 4043(a), (c) or (d) of ERISA is given or the continuance of such proceedings for ten days after commencement thereof, as the case may be, (iv) any Single Employer Plan shall terminate for purposes of Title IV of ERISA, or (v) any other event or condition shall occur or exist with respect to a Single Employer Plan; and in each case in clauses (i) through (v) above, such event or condition, together with all other such events or conditions, if any, could subject the Company or any of its Subsidiaries

to any tax, penalty or other liabilities in the aggregate material in relation to the business, operations, property or financial or other condition of the Company or any of its Subsidiaries; or

(h) One or more judgments or decrees shall be entered against the Company or any of its Subsidiaries involving in the aggregate a liability (not paid or fully covered by insurance) of \$500,000 or more and all such judgments or decrees shall not have been vacated, discharged, or stayed within 60 days from the entry thereof;

then, and in any such event, (a) if such event is an Event of Default specified in clause (i) or (ii) of paragraph (f) above, automatically the Revolving Commitments shall immediately terminate and the loans hereunder (with accrued interest thereon) and all other amounts owing under this Agreement and the Notes shall immediately become due and payable, and (b) if such event is any other Event of Default, (A) so long as each Original Holder of the Notes or its nominee shall be the holder of any Notes, all of the Original Holders of the Notes or (B) if one or more of the Original Holders of the Notes shall no longer be the holder of any Notes, any holder or holders of 66 2/3% or more in principal amount of the Notes at the time outstanding and the remaining Original Holders of the Notes, if any, may at any time (unless all defaults shall theretofore have been remedied) at its or their option, by written notices to the Company, declare the Revolving Credit Commitments terminated and all of the Notes to be due and payable, whereupon the Revolving Credit Commitments shall forthwith terminate and all of the Notes shall forthwith mature and become due and payable, together with interest accrued thereon, without presentment, demand, protest or notice, all of which are hereby waived, provided that, if an Event of Default described in paragraph (a) of this Section 9 shall occur and be continuing then, notwithstanding to the contrary in clause (A) above, so long as each Original Holder of the Notes or its nominee shall be the holder of any Notes, two of the Original Holders of the Notes may, by written notice to the Company, declare all of the Notes to be due and payable, whereupon the same shall forthwith mature and become due and payable, together with interest accrued thereon, without presentment, demand, protest or notice, all of which are hereby waived.

## SECTION 10. THE AGENT

10.1 Appointment. Each Lender hereby irrevocably designates and appoints Manufacturers Hanover Trust Company, as the agent of such Lender under this Agreement (with respect to the Revolving Credit Notes), the 1982 Security Agreements and the Inter-Creditor Agreement, and each such Lender hereby irrevocably authorizes Manufacturers Hanover Trust Company, as the agent for such Lender, to take such action on its behalf under the provisions hereof (relating to the Revolving Credit Notes) or thereof and to exercise such powers and perform such duties as are expressly delegated to the Agent by the terms hereof (relating to the Revolving Credit Notes) or thereof, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Agreement, such Security Agreements or the Inter-Creditor Agreement, the Agent shall not have any duties or responsibilities, except those expressly set forth herein or therein, or any fiduciary relationship with any Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement, such Security Agreements or the Inter-Creditor Agreement or otherwise exist against the Agent.

10.2 Delegation of Duties. The Agent may execute any of its duties under this Agreement, the 1982 Security Agreements or the Inter-Creditor Agreement, by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. The Agent shall not be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

10.3 Exculpatory Provisions. Neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement, the 1982 Security Agreements or the Inter-Creditor Agreement (except for its or such Person's own gross negligence or wilful misconduct), or (ii) responsible in any manner to any of the Lenders for any recitals, statements, representations or warranties made by the Company or any officer thereof contained in this Agreement or the 1982 Security Documents

or in any certificate, report, statement or other document referred to or provided for in, or received by the Agent under or in connection with, this Agreement or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, the Notes or the 1982 Security Documents or for any failure of the Company to perform its obligations hereunder or thereunder. The Agent shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Agreement or the 1982 Security Documents, or to inspect the properties, books or records of the Company.

10.4 Reliance by Agent. The Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to the Company), independent accountants and other experts selected by the Agent. The Agent may deem and treat the payee of any Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with the Agent.

10.5 Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless the Agent has received notice from a Lender or the Company referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall give notice thereof to the Lenders. The Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Lenders; provided that, unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as it shall deem advisable in the best interests of the Lenders.

10.6 Non-Reliance on Agent and Other Lenders.

Each Lender expressly acknowledges that neither the Agent nor any of its officers, directors, employees, agents, attorneys-in-fact or affiliates has made any representations or warranties to it and that no act by the Agent hereinafter taken, including any review of the affairs of the Company, shall be deemed to constitute any representation or warranty by the Agent to any Lender. Each Lender represents to the Agent that it has, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and credit-worthiness of the Company and made its own decision to make its loans hereunder and enter into this Agreement. Each Lender also represents that it will, independently and without reliance upon the Agent or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and credit-worthiness of the Company. Except for notices, reports and other documents expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the business, operations, property, financial and other condition or credit-worthiness of the Company which may come into the possession of the Agent or any of its officers, directors, employees, agents, attorneys-in-fact or affiliates.

10.7 Indemnification. The Lenders agree to indemnify the Agent in its capacity as such (to the extent not reimbursed by the Company and without limiting the obligation of the Company to do so), ratably according to the respective amounts of their original Revolving Credit Commitments, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including without limitation at any time following the payment of the Notes) be imposed on, incurred by or asserted against the Agent in

its capacity as such in any way relating to or arising out of this Agreement, the Security Documents or any documents contemplated by or referred to herein or the transactions contemplated hereby or any action taken or omitted by the Agent in its capacity as such under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the Agent's gross negligence or wilful misconduct. The agreements in this subsection shall survive the payment of the Notes and all other amounts payable hereunder.

10.8 Agent in Its Individual Capacity. The Agent and its affiliates may make loans to, accept deposits from and generally engage in any kind of business with the Company as though the Agent were not the Agent hereunder. With respect to its loans made or renewed by it and any Note issued to it, the Agent shall have the same rights and powers under this Agreement as any Lender and may exercise the same as though it were not the Agent, and the terms "Lender" and "Lenders" shall include the Agent in its individual capacity.

10.9 Successor Agent. The Agent may resign as Agent upon 10 days' notice to the Lenders. If the Agent shall resign as Agent under this Agreement, then the Lenders shall appoint a successor agent for the Lenders, whereupon such successor agent shall succeed to the rights, powers and duties of the Agent, and the term "Agent" shall mean such successor agent effective upon its appointment, and the former Agent's rights, powers and duties as Agent shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Notes. After any retiring Agent's resignation hereunder as Agent, the provisions of this Section 10 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

## SECTION 11. MISCELLANEOUS

11.1 Amendments and Waivers. Any term of this Agreement or of the Notes may be amended and the observance

of any term hereof or thereof may be waived only with the written consent of the Company and (a) so long as each Original Holder of the Notes or its nominee shall be the holder of any Notes, all of the Original Holders of the Notes or (b) if one or more of the Original Holders of the Notes shall no longer be the holder of any Notes, the holders of at least 66 2/3% in principal amount of the Notes at the time outstanding (excluding any Notes directly or indirectly owned by the Company or any of its Subsidiaries) and the remaining Original Holders of the Notes, if any, provided that, without the prior written consent of the holders of all of the Notes at the time outstanding, no such amendment or waiver shall (i) extend the scheduled maturities or reduce the principal amount of, or reduce the rate or extend the time of payment of interest on, or reduce the amount or extend the time of payment of any principal payable on any prepayment of, any Note, (ii) amend the aforesaid number of holders of Notes and/or the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend the provisions with respect to the number of holders of Notes and/or the percentage of the principal amount of the Notes the holders of which may declare Notes to be due and payable as provided in Section 9. Any amendment or waiver effected in accordance with this subsection 11.1 shall be binding upon each holder of any Note (notwithstanding the absence of any notation thereon) at the time outstanding, each future holder of any Note (notwithstanding the absence of any notation thereon) and the Company.

11.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing or by telegraph or telex and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when delivered by hand, or when deposited in the mail, air postage prepaid, or, in the case of telegraphic notice, when delivered to the telegraph company, or, in the case of telex notice, when sent, answerback received, addressed as follows, or to such address or other address as may be hereafter notified by the respective parties hereto and any future holders of the Notes:

The Company: LCP Chemicals &  
 Plastics, Inc.  
 Raritan Plaza II,  
 Raritan Center,  
 Edison, New Jersey 08837  
 Attention: President  
 Telex: \_\_\_\_\_  
 Answerback: \_\_\_\_\_

The Agent, MHT: Manufacturers Hanover Trust  
 Company  
 350 Park Avenue  
 New York, New York 10022  
 Attention: National Division,  
 Southwestern District  
 Telex: 01-2211 or 12-8145  
 Answerback: MHTCO(A)(B)NYK

Prudential: The Prudential Insurance Company  
 of America  
 Prudential Plaza  
 Newark, New Jersey 07101  
 Attention: Vice President in  
 Charge of the  
 Corporate Finance  
 Department

Telex:

Answerback:

Midlantic: Midlantic National Bank  
 2 Broad Street  
 Bloomfield, New Jersey 07003

provided that any notice, request or demand to or upon the Agent pursuant to subsections 3.3, 3.4 and 3.7 shall be prior and shall not be effective until received.

11.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of the Agent or any Lender, any right, remedy, power or privilege hereunder, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or

privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

11.4 Survival of Representations and Warranties.

All representations and warranties of the Company and its Subsidiaries made hereunder and in any document, certificate or statement delivered pursuant hereto or in connection herewith shall survive the execution and delivery of this Agreement and the Notes.

11.5 Payment of Expenses and Taxes.

The Company agrees (a) to pay or reimburse each Lender and the Agent for all its out-of-pocket costs and expenses incurred in connection with the development, preparation and execution of, and any amendment, supplement or modification to, this Agreement, the Notes, the Warrants and the Security Documents and any other documents prepared in connection herewith, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the fees and disbursements of counsel to the Agent and to the several Lenders, (b) to pay or reimburse each Lender and the Agent for all its costs and expenses incurred in connection with the enforcement or preservation of any rights under this Agreement, the Notes, the Warrants, the Security Documents, and any such other documents, including, without limitation, fees and disbursements of counsel to the Agent and to the several Lenders, and (c) to pay, indemnify, and to hold each Lender and the Agent harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise and other taxes, if any, which may be payable or determined to be payable in connection with the execution and delivery of, or any recording or filing with respect to, or the consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the Notes, the Warrants, the Security Documents and any such other documents. The agreements in this subsection shall survive repayment of the Notes and all other amounts payable hereunder.

11.6 Representations of Lenders. Each Lender hereby represents and specifically understands and agrees that it is acquiring the Notes and the Warrants for the purpose of investment and not with a view to or for sale in connection with any distribution thereof or of shares of Class B Common Stock issuable upon exercise of the Warrants, provided that the disposition by each Lender of its property shall at all times be and remain within its control. Prudential hereby represents that no part of the Notes or Warrants being acquired by it under this Agreement will be acquired with assets allocated to any separate account maintained by it in which a Plan participates. As used in this subsection 11.6, the term "separate account" has the meaning assigned to it in section 3 of ERISA.

11.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Company, the Lenders, the Agent, all future holders of the Notes and their respective successors and assigns, except that the Company may not assign or transfer any of its rights under this Agreement without the prior written consent of each Lender.

11.8 Counterparts. This Agreement may be executed by one or more of the parties to this Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Agreement signed by all the parties shall be lodged with the Company and the Agent.

11.9 Governing Law. This Agreement and the Notes and the rights and obligations of the parties under this Agreement and the Notes shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered in New

York, New York by their proper and duly authorized officers  
as of the day and year first above written.

LCP CHEMICALS &  
PLASTICS, INC.

By: \_\_\_\_\_  
Title:

MANUFACTURERS HANOVER TRUST  
COMPANY, as Agent and as a  
Lender

By: \_\_\_\_\_  
Title:

THE PRUDENTIAL INSURANCE  
COMPANY OF AMERICA

By: \_\_\_\_\_  
Title:

MIDLANTIC NATIONAL BANK

By: \_\_\_\_\_  
Title: