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This Mortgage was prepared by
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MORTGAGE, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES, RENTS AND PROFITS,
FINANCING STATEMENT AND FIXTURE FILING

made by

IMCO RECYCLING OF ILLINOIS INC.,

as the Mortgagor,

to

CITICORP NORTH AMERICA, INC.,

as Collateral Agent for the Secured Creditors described herein,
as the Mortgagee

THIS DOCUMENT IS INTENDED TO BE RECORDED IN COOK COUNTY, ILLINOIS

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MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES, RENTS AND PROFITS, FINANCING STATEMENT AND FIXTURE FILING

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES, RENTS AND PROFITS, FINANCING STATEMENT AND FIXTURE FILING, dated as of August 1, 2006 (as amended, modified or supplemented from time to time, this "Mortgage"), made by IMCO RECYCLING OF ILLINOIS INC., an Illinois corporation (the "Mortgagor"), having an address at 25825 Science Park Drive, Beachwood, OH 44122, as the mortgagor, to CITICORP NORTH AMERICA, INC. (together with any successor mortgagee, the "Mortgagee"), having an address at 388 Greenwich Street, 20th Floor, New York, New York 10013, as Collateral Agent, as the mortgagee for the benefit of the Secured Creditors (as defined below).

Except as otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

WITNESSETH:

WHEREAS, Aleris International, Inc., a Delaware corporation ("Aleris"), each other U.S. Borrower party thereto from time to time (together with Aleris, each, a "U.S. Borrower" and collectively, the "U.S. Borrowers"), Corus S.E.C./Corus L.P., a limited partnership existing under the laws of Québec, acting and represented by its general partner, Corus Aluminium Inc., a corporation incorporated under the laws of Québec ("Aleris Canada"), each other Canadian Borrower party thereto from time to time (together with Aleris Canada, each, a "Canadian Borrower" and collectively, the "Canadian Borrowers"), Aleris Switzerland GmbH, a company with limited liability organized under the laws of Switzerland (the "European Borrower" and, together with the Canadian Borrowers and the U.S. Borrowers, each a "Borrower" and collectively, the "Borrowers"), the lenders party thereto from time to time (the "Lenders"), Key Bank National Association, National City Business Credit, Inc. and PNC Bank, National Association, as Co-Documentation Agents, Deutsche Bank AG New York Branch, as administrative agent (together with any successor administrative agent, the "Administrative Agent"), Deutsche Bank AG, Canada Branch, as Canadian administrative agent (together with any successor Canadian administrative agent, the "Canadian Administrative Agent"), and Citicorp North America, Inc. as collateral agent (together with any successor Collateral Agent, the "Collateral Agent"), (the Lenders, each Issuing Lender, the Administrative Agent, the Canadian Administrative Agent and the Collateral Agent are herein called the "Lender Creditors") have entered into a Credit Agreement, dated as of the date hereof, providing for the making of Loans to the Borrowers and the issuance of, and participation in, Letters of Credit for the account of the Borrowers, all as contemplated therein (as used herein, the term "Credit Agreement" means the Credit Agreement described above in this paragraph, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time, and including any agreement extending the maturity of, or refinancing or restructuring (including, but not limited to, the inclusion of additional borrowers or guarantors thereunder or any increase in the amount borrowed) all or any portion of, the indebtedness under

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such agreement or any successor agreement, whether or not with the same agent, trustee, representative, lenders or holders; provided that, with respect to any agreement providing for the refinancing or replacement of indebtedness under the Credit Agreement, such agreement shall only be treated as, or as part of, the Credit Agreement hereunder if (i) either (A) all obligations under the Credit Agreement being refinanced or replaced shall be paid in full at the time of such refinancing or replacement, and all commitments and letters of credit issued pursuant to the refinanced or replaced Credit Agreement shall have terminated in accordance with their terms or, with respect to certain Letters of Credit, been continued, with the consent of the respective issuer thereof, under such refinancing or replacement indebtedness or (B) the Required Lenders shall have consented in writing to the refinancing or replacement indebtedness being treated as indebtedness pursuant to the Credit Agreement, and (ii) a notice to the effect that the refinancing or replacement indebtedness shall be treated as issued under the Credit Agreement shall be delivered by Aleris to the Collateral Agent);

WHEREAS, each Borrower and/or one or more of their respective Subsidiaries may at any time and from time to time enter into one or more Interest Rate Protection Agreements and/or Currency Hedging Agreements with one or more Lenders or any affiliate thereof (each such Lender or affiliate, even if the respective Lender subsequently ceases to be a Lender under the Credit Agreement for any reason, together with such Lender's or affiliate's successors and assigns, if any, collectively, the "Other Creditors") with each such Interest Rate Protection Agreement and/or Currency Hedging Agreements with an Other Creditor to the extent expressly stated therein that the liabilities and indebtedness thereunder are "Obligations" for purposes of this Mortgage (or more generally, for purposes of the various agreements guaranteeing or securing the Credit Agreement) (being herein called a "Secured Hedging Agreement");

WHEREAS, each Borrower, one or more of their respective Subsidiaries and any Lender (and/or one or more of its banking affiliates) reasonably acceptable to the Administrative Agent, in each case designated to the Administrative Agent in writing by Aleris as a provider of Treasury Services (as defined below), (collectively, the "Treasury Services Creditors" and, together with the Lender Creditors and the Other Creditors, the "Secured Creditors") in the future may enter into, a credit arrangement providing for treasury, depository or cash management services (including without limitation, overnight overdraft services) to Aleris and such Subsidiaries by the Treasury Services Creditors, and automated clearinghouse transfers of funds to the Treasury Services Creditors, in each case pursuant to uncommitted lines of credit (collectively, "Treasury Services," and with any written agreement evidencing such credit arrangements (to the extent expressly stated therein that the liabilities and indebtedness thereunder are "Obligations" for the purposes of this Agreement (or more generally, for purposes of the various agreements guaranteeing or securing the Credit Agreement), as amended, modified, supplemented, replaced or refinanced from time to time, herein called the "Treasury Services Agreements");

WHEREAS, the Mortgagor is the owner of fee simple title to the Mortgaged Property (as hereinafter defined);

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WHEREAS, pursuant to the U.S. Borrower Guaranty, each of the U.S. Borrowers has guaranteed to the Secured Creditors the payment when due of all of its Relevant Guaranteed Obligations as described therein;

WHEREAS, pursuant to the U.S. Subsidiaries Guaranty, each U.S. Subsidiary Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations (as defined in the U.S. Subsidiaries Guaranty);

WHEREAS, the Intercreditor Agreement governs the relative rights and priorities of the Secured Creditors and the Term Secured Parties in respect of the Mortgaged Property (and with respect to certain other matters as described therein);

WHEREAS, it is a condition precedent to (i) the making of Loans to the Borrowers, and the issuance of, and participation in, Letters of Credit for the respective accounts of the Borrowers under the Credit Agreement, (ii) the Other Creditors entering into Secured Hedging Agreements and (iii) the extension of the Treasury Services by Treasury Services Creditors, that the Mortgagor shall have executed and delivered to the Collateral Agent this Mortgage;

WHEREAS, the Mortgagor will obtain benefits from the incurrence of Loans by the Borrowers, and the issuance of, and participation in, Letters of Credit for the respective accounts of, the Borrowers under the Credit Agreement, the entering into by the Borrowers and/or one or more of their respective Subsidiaries of Secured Hedging Agreements and the extension of Treasury Services to Aleris and its Subsidiaries, and, accordingly, the Mortgagor desires to enter into this Mortgage in order to (i) satisfy the condition described in the preceding paragraph and (ii) induce (x) the Lenders to make Loans to the Borrowers and issue, and/or participate in, Letters of Credit for the respective accounts of the Borrowers, (y) the Other Creditors to enter into Secured Hedging Agreements with the Borrowers and/or one or more of their respective Subsidiaries and (z) the Treasury Services Creditors to enter into Treasury Services Agreements; and

WHEREAS, the Mortgagor desires to enter into this Mortgage to secure (and this Mortgage shall secure), subject to the terms of the Intercreditor Agreement with respect to the rights and remedies between the Mortgagor and the Term Collateral Agent, the following:

(i) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations, liabilities and indebtedness (including, without limitation, unpaid principal (or Face Amount, as applicable), premium, interest, (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of the Mortgagor at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding) reimbursement obligations under Letters of Credit, fees, costs and indemnities) of the Mortgagor to the Lender Creditors, whether now existing or hereafter incurred under, arising out of, or in connection with, the Credit Agreement and the other Credit Documents to which the Mortgagor is a party (including, without limitation, in the event such Mortgagor is a Guarantor, all such obligations, liabilities and indebtedness of

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such Mortgagor under its Guaranty) (all such obligations, liabilities and indebtedness under this clause (i) except to the extent consisting of obligations or indebtedness with respect to Secured Hedging Agreements, being herein collectively called the "Credit Document Obligations");

(ii) the full and prompt payment when due (whether at the stated maturity, by acceleration or otherwise) of all obligations, liabilities and indebtedness (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of the Mortgagor at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding) owing by the Mortgagor to the Other Creditors, now existing or hereafter incurred under, arising out of, or in connection with, each Secured Hedging Agreement, whether such Secured Hedging Agreement is now in existence or hereafter arising (including all obligations, liabilities and indebtedness of the Mortgagor under its Guaranty in respect of the Secured Hedging Agreements), (all such obligations, liabilities and indebtedness under this clause (ii) being herein collectively called the "Other Obligations");

(iii) the full and prompt payment when due (whether at the stated maturity, by required prepayment, declaration, acceleration, demand or otherwise) of all obligations, liabilities and indebtedness (including, without limitation, all interest that accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding at the rate provided for in the respective documentation, whether or not such interest is allowed in any such proceeding) owing by Aleris or any of its Subsidiaries to each Treasury Services Creditor with respect to Treasury Services, whether now in existence or hereafter arising in each case under any Treasury Services Agreement (all such obligations, liabilities and indebtedness described in this clause (iii) being herein collectively called the "Treasury Services Obligations");

(iv) any and all sums advanced by the Mortgagee in order to preserve the Mortgaged Property or preserve its security interest in the Mortgaged Property;

(v) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations, or liabilities of the Mortgagor referred to in clauses (i) through (iii) above, after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Mortgaged Property, or of any exercise by the Collateral Agent of its rights hereunder, together with reasonable attorneys' fees and court costs;

(vi) all amounts paid by any Indemnitee (as defined in Section 4.10 hereof) as to which such Indemnitee has the right to reimbursement under Section 4.10 hereof; and

(vii) all amounts owing to any Agent or any of its affiliates pursuant to any of the Credit Documents in its capacity as such;

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all such obligations, liabilities, indebtedness, fees, amounts, sums and expenses set forth in clauses (i) through (vii) above, whether outstanding on the date of this Mortgage or extended, accruing or paid from time to time after the date of this Mortgage, being herein collectively called the "Obligations".

NOW, THEREFORE, as security for the Obligations and in consideration of the payment of ten dollars (\$10.00) and the other benefits accruing to the Mortgagor, the receipt and sufficiency of which are hereby acknowledged, THE MORTGAGOR HEREBY MORTGAGES, GIVES, GRANTS, BARGAINS, SELLS, CONVEYS AND CONFIRMS TO THE MORTGAGEE AND ITS SUCCESSORS AND ASSIGNS FOREVER FOR THE BENEFIT OF THE SECURED CREDITORS, with power of sale (subject to applicable law) all of the Mortgagor's estate, right, title and interest, if any, whether now owned or hereafter acquired, whether as lessor or lessee and whether vested or contingent, in and to all of the following:

A. The land described in Exhibit A hereto, together with all rights, privileges, franchises and powers related thereto which are appurtenant to said land or its ownership, including all minerals, oil and gas and other hydrocarbon substances thereon or therein; waters, water courses, water stock, water rights (whether riparian, appropriative, or otherwise, and whether or not appurtenant), sewer rights, shrubs, crops, trees, timber and other emblements now or hereafter on, under or above the same or any part or parcel thereof (the "Land");

B. All buildings, structures, tenant improvements and other improvements of every kind and description now or hereafter located in or on the Land and all component or integral parts thereof, including, but not limited to, all structures, improvements, rail spurs, dams, reservoirs, water, sanitary and storm sewers, drainage, electricity, steam, gas, telephone and other utility facilities, parking areas, roads, driveways, walks and other site improvements of every kind and description now or hereafter erected or placed on the Land, together with all additions thereto and all renewals, alterations, substitutions and replacements thereof (collectively, the "Improvements");

C. All fixtures, attachments, appliances, equipment, machinery, building materials and supplies, and other tangible personal property, now or hereafter attached to said Improvements or now or at any time hereafter located on the Land and/or Improvements, including, but not limited to, furnaces, boilers, oil burners, piping, plumbing, refrigeration, air conditioning, lighting, ventilation, disposal and sprinkler systems, elevators, motors, dynamos and all other equipment and machinery, appliances, fittings and fixtures of every kind located in or used in the operation of the Improvements located on the Land, together with all additions thereto and all renewals, alterations, substitutions and replacements thereof (hereinafter sometimes collectively referred to as the "Equipment");

D. Intentionally omitted;

E. All surface rights, easements, rights of way, and other rights, titles, interests, privileges, liberties, and tenements appurtenant to the use and enjoyment of, or used in connection with, the Land and/or the Improvements;

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F. All streets, roads and public places (whether open or proposed) now or hereafter adjoining or otherwise providing access to the Land, the land lying in the bed of such streets, roads and public places, and all other sidewalks, alleys, ways, passages, vaults, water courses, strips and gores of land now or hereafter adjoining or used or intended to be used in connection with all or any part of the Land and/or the Improvements;

G. Any leases, lease guaranties and in any other agreements relating to the use and occupancy of the Land and/or the Improvements or any portion thereof, including, but not limited to, any use or occupancy arrangements created pursuant to Section 365(h) of Title 11 of the United States Code (the "Bankruptcy Code") or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or occupant of any portion of the Land and/or the Improvements (collectively, "Leases");

H. All revenues, rents, receipts, income, accounts receivable, issues and profits of the Land and Improvements (collectively, "Rents");

I. All permits, licenses and rights relating to the use, occupation and operation of the Land and/or the Improvements or any business conducted thereon or therein;

J. All real estate tax refunds payable to the Mortgagor with respect to the Land or the Improvements, and refunds, credits or reimbursements payable with respect to bonds, escrow accounts or other sums payable in connection with the use, development, or ownership of the Land and/or Improvements;

K. Any claims or demands with respect to any proceeds of insurance in effect with respect to the Land and/or the Improvements, including interest thereon, which the Mortgagor now has or may hereafter acquire and any and all awards made for the taking by eminent domain, condemnation or by any proceedings, transfer or purchase in lieu or in anticipation of the exercise of said rights, or for a change of grade, or for any other injury to or decrease in the value of, the whole or any part of the Land and/or Improvements;

L. Any zoning rights, air rights and development rights which are or may become vested in the Mortgagor in connection with the Land and/or the Improvements (including, without limitation, pursuant to zoning lot agreements); and

M. All proceeds and products of the conversion, voluntary or involuntary, including, but not limited to, those from sale, exchange, transfer, collection, loss, damage, disposition, substitution or replacement, of any of the foregoing, whether into cash, liquidated claims or otherwise.

All of the forgoing estates, rights, properties and interests hereby mortgaged to the Mortgagee are referred to collectively herein as the "Mortgaged Property".

Notwithstanding anything to the contrary contained in these granting clauses or elsewhere in this Mortgage, the Mortgagor and the Collateral Agent (on behalf of the Secured Creditors) acknowledge and agree that:

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(x) the lien and security interest in the Mortgaged Property granted pursuant to this Mortgage to the Collateral Agent for the benefit of the Secured Creditors shall be a Second Priority Lien. The lien and security interest in the Mortgaged Property granted pursuant to that certain Mortgage, Security Agreement, Assignment of Leases, Rents and Profits, Financing Statement and Fixture Filing executed by the Mortgagor to the Collateral Agent (as defined therein) for the Term Secured Parties to be recorded in the records of the Recorder of Deeds of Cook County, Illinois (the "Term Lien Mortgage") shall be a First Priority Lien in the Mortgaged Property fully senior to the lien and security interest granted to the Collateral Agent pursuant to this Mortgage. All rights and benefits afforded hereunder to the Secured Creditors with respect to the Mortgaged Property and all rights and benefits afforded pursuant to the Term Lien Mortgage to the Term Secured Parties are expressly subject to the terms and conditions of the Intercreditor Agreement; and

(y) the Secured Creditors' liens and security interests in the Mortgaged Property constitute liens and security interests separate and apart (and of a different class and claim) from the Term Secured Parties' liens and security interests in the Mortgaged Property.

TO HAVE AND TO HOLD the above granted and described Mortgaged Property unto the Mortgagee and to its successors and assigns forever, and the Mortgagor hereby covenants and agrees, on behalf of itself and its successors and assigns, to warrant and defend the Mortgaged Property unto the Mortgagee, its successors and assigns against the claims of all Persons and parties whatsoever, subject, however, to the Permitted Encumbrances to the extent the same are valid and subsisting and encumber the Mortgaged Property or any part thereof.

PROVIDED, HOWEVER, upon the occurrence of the Termination Date (as defined in the U.S. Security Agreement) then, in such case the Mortgagee shall, at the request and expense of the Mortgagor, satisfy this Mortgage (without recourse and without any representations or warranties) and the estate, right, title and interest of the Mortgagee in the Mortgaged Property shall cease, and upon payment to the Mortgagee of all costs and expenses incurred for the preparation of the release hereinafter referenced and all recording costs if allowed by law, the Mortgagee shall release this Mortgage and the lien hereof by proper instrument.

ARTICLE I

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE MORTGAGOR

1.01 Title to the Mortgaged Property. The Mortgagor represents and warrants: (a) it has good and indefeasible fee simple title to the Mortgaged Property, free and clear of any Liens, other than the Permitted Encumbrances related thereto, and is lawfully seized and possessed of the Mortgaged Property; (b) this Mortgage is a valid Second Priority Lien upon the Mortgaged Property; (c) it has full power and authority to encumber the Mortgaged Property in

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the manner set forth herein; and (d) there are no defenses or offsets to this Mortgage or to the Obligations which it secures. The Mortgagor shall preserve such title and the validity and priority of this Mortgage and shall forever warrant and defend the same to the Mortgagee and the Mortgagee's successors and assigns against the claims of all Persons and parties whatsoever. The Mortgagor shall take no action nor shall it fail to take any action which could result in an impairment of the Lien of this Mortgage or which could form the basis for any Person(s) to claim an interest in the Mortgaged Property (including, without limitation, any claim for adverse use or possession or any implied dedication or easement by prescription) other than Permitted Encumbrances related thereto. If any Lien (other than a Permitted Encumbrance related to the Mortgaged Property) is asserted against the Mortgaged Property, the Mortgagor shall promptly, at its expense, (i) provide the Mortgagee with written notice of such Lien, including information relating to the amount of the Lien asserted; and (ii) pay the Lien in full or take such other action to cause the Lien to be released, or, so long as the lien of this Mortgage is not compromised, contest the same in accordance with the provisions of the Credit Agreement. Upon the occurrence and during the continuance of an Event of Default, the Mortgagee may, but shall not be obligated, to pay any such asserted Lien if not timely paid by the Mortgagor.

1.02 Compliance with Law. The Mortgagor represents and warrants that it possesses all certificates, licenses, authorizations, registrations, permits and/or approvals necessary for the ownership, operation, leasing and management of the Mortgaged Property, including, but not limited to, all required environmental permits, all of which are in full force and effect and not the subject of any revocation proceeding, undisclosed amendment, release, suspension, forfeiture or the like. The present use and occupancy of the Mortgaged Property does not conflict with or violate any such certificate, license, authorization, registration, permit or approval, including, but not limited to, any certificate of occupancy which may have been issued for the Mortgaged Property. The Mortgagor shall take no action nor shall it fail to take any action so as to compromise or adversely affect the zoning classification of the Mortgaged Property.

1.03 Payment and Performance of Obligations. The Mortgagor shall pay all of the Obligations when due and payable and in the manner provided in the Secured Debt Agreements (defined below) without offset or counterclaim, and shall observe and comply in all respects with all of the terms, provisions, conditions, covenants and agreements to be observed and performed by it under this Mortgage, the other Credit Documents and the Secured Hedging Agreements (collectively, the "Secured Debt Agreements").

1.04 Maintenance, Repair, Alterations, Etc. Except as otherwise expressly permitted in the Credit Agreement, the Mortgagor shall: (a) keep and maintain the Mortgaged Property in the condition required pursuant to the Credit Agreement; (b) make or cause to be made, as and when necessary in Mortgagor's reasonable determination, all repairs, renewals and replacements, structural and nonstructural, exterior and interior, ordinary and extraordinary, foreseen and unforeseen which are necessary to so maintain the Mortgaged Property; (c) restore any Improvement which may be damaged or destroyed so that the same shall be at least substantially equal to its value, condition and character immediately prior to the damage or destruction; (d) not commit or permit any waste or deterioration (normal wear and tear excepted) of the Mortgaged Property; (e) not permit the Improvements to be demolished or altered in any manner that substantially decreases the value thereof; (f) promptly pay when due all claims for

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labor performed and materials furnished therefor; and (g) comply with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental authorities having jurisdiction over the Mortgaged Property, as well as comply with the provisions of any lease, easement or other agreement affecting all or any part of the Mortgaged Property.

1.05 Required Insurance; Use of Proceeds. The Mortgagor will, at its expense, at all times provide, maintain and keep in full force and effect policies of property, hazard and liability insurance in accordance with Section 9.03 of the Credit Agreement with respect to the Mortgaged Property, together with statutory workers' compensation insurance with respect to any work to be performed on or about the Mortgaged Property. The Mortgagor shall give prompt written notice to the Mortgagee of the occurrence of any damage to or destruction of the Improvements (which term as used in this Section 1.05 shall include Equipment). In the event of any damage to or destruction of the Mortgaged Property or any part thereof, all proceeds of property insurance paid to the Mortgagor or any other Credit Party on account of such damage or destruction shall be applied and/or reinvested, subject to the terms of the Intercreditor Agreement, as set forth in Section 5.02(d) of the Credit Agreement or, after the Obligations have been accelerated or otherwise become due and payable, in accordance with the U.S. Security Agreement. In the event of foreclosure of the lien of this Mortgage or other transfer of title or assignment of the Mortgaged Property in extinguishment, in whole or in part, of the Obligations, all right, title and interest of the Mortgagor in and to all proceeds then payable under any policy of insurance required by this Mortgage shall inure to the benefit of and pass to the successor in interest of the Mortgagor, or the purchaser or mortgagor of the Mortgaged Property. The Mortgagee shall have the right to participate in and approve the settlement of any claim made by the Mortgagor against any insurance company.

1.06 Preservation of Property. The Mortgagor agrees to pay for any and all reasonable fees, costs and expenses of whatever kind or nature incurred in connection with the creation, preservation or protection of the Mortgagee's Liens on, and security interest in, the Mortgaged Property, including, without limitation, all fees and taxes in connection with the recording or filing of instruments and documents in public offices (including stamp and mortgage recording taxes or other taxes imposed on the Mortgagee by virtue of its ownership of this Mortgage), which are imposed upon the recording of this Mortgage or thereafter, all reasonable attorneys' fees, payment or discharge of any taxes or Liens upon or in respect of the Mortgaged Property, premiums for insurance with respect to the Mortgaged Property and all other fees, costs and expenses in connection with protecting, maintaining or preserving the Mortgaged Property and the Mortgagee's interest therein, whether through judicial proceedings or otherwise, or in defending or prosecuting any actions, suits or proceedings arising out of or relating to the Mortgaged Property.

1.07 Condemnation. Should the Mortgagor receive any notice that the Mortgaged Property or any part thereof or interest therein may be taken or damaged by reason of any public improvements or condemnation proceeding or in any other similar manner (a "Condemnation"), the Mortgagor shall give prompt written notice thereof to the Mortgagee. In the event of any Condemnation, the Mortgagee shall have the right to participate in any negotiations or litigation and shall have the right to approve any settlement. All compensation, awards, damages and proceeds paid to the Mortgagor or any other Credit Party on account of such Condemnation shall be applied and/or reinvested, subject to the terms of the Intercreditor

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Agreement as set forth in Section 5.02(d) of the Credit Agreement or, after the Obligations have been accelerated or otherwise become due and payable, in accordance with the U.S. Security Agreement.

1.08 Inspections. The Mortgagor hereby authorizes the Mortgagee, its agents, employees and representatives, upon reasonable prior written notice to the Mortgagor (except in an emergency or following the occurrence and during the continuance of any Event of Default, in which case notice shall not be required) to visit and inspect the Mortgaged Property or any portion(s) thereof, all at such reasonable times and as often as the Mortgagee may reasonably request.

1.09 Transfers. Except as otherwise permitted in accordance with the terms of the Secured Debt Agreements and as expressly set forth herein, no part of the Mortgaged Property or any legal or beneficial interest in the Mortgaged Property shall be sold, assigned, conveyed, leased, transferred or otherwise disposed of (whether voluntarily or involuntarily, directly or indirectly, by sale of stock or any interest in the Mortgagor, or by operation of law or otherwise).

1.10 After Acquired Property Interests. All right, title and interest of the Mortgagor in and to all improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Property, hereafter acquired by, or released to, the Mortgagor or constructed, assembled or placed by the Mortgagor on the Land, and all conversions of the security constituted thereby (collectively, "After Acquired Property Interests"), immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by the Mortgagor, shall become subject to the Liens of this Mortgage (as provided in the granting clauses hereof) as fully and completely, and with the same effect, as though owned by the Mortgagor on the date hereof and specifically described in the granting clauses hereof. The Mortgagor shall execute and deliver to the Mortgagee all such other assurances, mortgages, conveyances or assignments thereof as the Mortgagee may reasonably require for the purpose of expressly and specifically subjecting such After Acquired Property Interests to the Lien of this Mortgage. Subject to the terms of the Intercreditor Agreement, the Mortgagor hereby irrevocably authorizes and appoints the Mortgagee as the agent and attorney-in-fact of the Mortgagor to, following the occurrence and during the continuance of an Event of Default, execute all such documents and instruments on behalf of the Mortgagor, which appointment shall be irrevocable and coupled with an interest.

ARTICLE II

SECURITY AGREEMENT

2.01 Grant of Security; Incorporation by Reference. In addition to constituting a mortgage lien on those portions of the Mortgaged Property classified as real property (including fixtures to the extent they are real property), this Mortgage shall constitute a security agreement within the meaning of the Uniform Commercial Code (the "UCC") or within the meaning of the common law with respect to those parts of the Mortgaged Property classified as personal

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property (including fixtures to the extent they are personal property). The Mortgagor hereby grants to the Mortgagee a security interest in and to the following property whether now owned or hereafter acquired (collectively, the "Secured Property") for the benefit of the Mortgagee to further secure the payment and performance of the Obligations:

- (a) Those parts of the Mortgaged Property classified as personal property (including (i) fixtures to the extent they are personal property and (ii) personal property and fixtures that are leased by the Mortgagor, but only to the extent the Mortgagor can grant to the Mortgagee a security interest therein without breaching the terms of such lease);
- (b) All general intangibles, contract rights, accounts and proceeds arising from all insurance policies required to be maintained by the Mortgagor and related to the Mortgaged Property hereunder;
- (c) All proceeds of any judgment, award or settlement in any Condemnation in connection with the Mortgaged Property, together with all general intangibles, contract rights and accounts arising therefrom;
- (d) All permits, consents and other governmental approvals in connection with the construction of the Improvements or the operation of the Mortgaged Property;
- (e) All plans and specifications, studies, tests and design materials relating to the design, construction, repair, alteration or leasing of the Mortgaged Property; and
- (f) All cash and non-cash proceeds of the above-mentioned items.

The provisions contained in the U.S. Security Agreement are hereby incorporated by reference into this Mortgage with the same effect as if set forth in full herein. In the event of a conflict between the provisions of this Mortgage and the U.S. Security Agreement, the U.S. Security Agreement shall control and govern and the Mortgagor shall comply therewith.

2.02 Fixture Filing and Financing Statements. This Mortgage constitutes a security agreement, fixture filing and financing statement as those terms are used in the Uniform Commercial Code of the State in which the Mortgaged Property is located (the "UCC"). For purposes of this Section 2.02, this Mortgage is to be filed and recorded in, among other places, the real estate records of the County in which the Mortgaged Property is located and the following information is included: (1) the Mortgagor shall be deemed the "Debtor" with the address set forth for the Mortgagor on the first page of this Mortgage which the Mortgagor certifies is accurate; (2) the Mortgagee shall be deemed to be the "Secured Party" with the address set forth for the Mortgagee on the first page of this Mortgage and shall have all of the rights of a secured party under the UCC; (3) this Mortgage covers goods which are or are to become fixtures; (4) the name of the record owner of the land is the Debtor; (5) the organizational identification number of the Debtor is 52286492; (6) the Debtor is a corporation, organized under the laws of the State of Illinois; and (7) the legal name of the Debtor is IMCO Recycling of Illinois Inc. The Debtor hereby authorizes the Mortgagee to file any financing statements and terminations thereof or amendments or modifications thereto without the signature of the Debtor, where permitted by law.

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ARTICLE III

ASSIGNMENT OF LEASES, RENTS AND PROFITS

3.01 Assignment. The Mortgagor hereby absolutely, irrevocably and unconditionally sells, assigns, transfers and conveys to the Mortgagee all of the Mortgagor's right, title and interest in and to all current and future Leases and Rents, including those now due, past due, or to become due by virtue of any Lease or other agreement for the occupancy or use of all or any part of the Mortgaged Property. The Mortgagor intends that this assignment constitute a present and absolute assignment and not an assignment for additional security only. Such assignment to the Mortgagee shall not be construed to bind the Mortgagee to the performance of any of the covenants, conditions or provisions contained in any Lease or otherwise impose any obligation upon the Mortgagee. The Mortgagor covenants that it will not hereafter collect or accept payment of any Rents more than one month prior to the due dates of such Rents and that no Rents will be waived, released, reduced, discounted or otherwise discharged or compromised by the Mortgagor, except as may be previously approved in writing by the Mortgagee. The Mortgagor agrees that it will not assign any of the Leases or Rents to any other Person, except as otherwise permitted under the Credit Agreement. The Mortgagee shall have no liability for any loss which may arise from a failure or inability to collect any Rents. The Mortgagor shall maintain all security deposits in accordance with applicable law.

3.02 Revocable License; Agent. Notwithstanding the foregoing, but subject to the terms of this Article III, the Mortgagee grants to the Mortgagor a revocable license to operate and manage the Mortgaged Property and to collect the Rents and hereby directs each tenant under a Lease to pay such Rents to, or at the direction of, the Mortgagor, until the occurrence and continuance of a Noticed Event of Default. The Mortgagor shall hold the Rents, or a portion thereof sufficient to discharge all sums currently due in respect of the Obligations, in trust for the benefit of the Mortgagee for use in the payment of such sums.

3.03 Rents. (a) Upon the occurrence and during the continuance of a Noticed Event of Default, but subject to the terms of the Intercreditor Agreement, without the need for notice or demand, the license granted pursuant to this Article III shall immediately and automatically be revoked and the Mortgagee shall immediately and automatically be entitled to possession of all Rents, whether or not the Mortgagee enters upon or takes control of the Mortgaged Property. Upon the revocation of such license, the Mortgagor grants to the Mortgagee the right, at its option, to exercise all the rights granted in Section 4.02(a) hereof. Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee or trustee in possession in the absence of the taking of actual possession of the Mortgaged Property by the Mortgagee pursuant to such Section 4.02(a).

(b) From and after the termination of such license, the Mortgagor may, at the Mortgagee's direction, be the agent for the Mortgagee in collection of the Rents and all of the Rents so collected by the Mortgagor shall be held in trust by the Mortgagor for the sole and exclusive benefit of the Mortgagee and the Mortgagor shall, within three (3) Business Days after receipt of any Rents, pay the same to the Mortgagee to be applied by the Mortgagee as provided herein. All Rents collected shall be applied against all expenses of collection (including, but not limited to, attorneys' fees), costs of operation and management of the Mortgaged Property and

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the Obligations, in whatever order or priority as to any of such items as the Mortgagee directs in its sole and absolute discretion and without regard to the adequacy of its security, but subject to the terms of the Intercreditor Agreement. Neither demand for nor collection of Rents by the Mortgagee shall constitute any assumption by the Mortgagee of any obligations under any Lease or agreement relating thereto.

(c) Any funds expended by the Mortgagee to take control of and manage the Mortgaged Property and collect the Rents shall become part of the Obligations secured hereby. Such amounts shall be payable upon demand from the Mortgagor to the Mortgagee and shall bear interest from the date of expenditure at the interest rate set forth in Section 2.08(d) of the Credit Agreement.

3.04 Sale of Mortgaged Property. (a) Upon any sale of any of the Mortgaged Property by or for the benefit of the Mortgagee pursuant to this Mortgage, the Rents attributable to the part of the Mortgaged Property so sold shall be included in such sale and shall pass to the purchaser free and clear of any rights granted herein to the Mortgagor.

(b) The Mortgagor acknowledges and agrees that, upon recordation of this Mortgage, the Mortgagee's interest in the Rents shall be deemed to be fully perfected, "choate" and enforceable against the Mortgagor and all third parties, including, without limitation, any debtor in possession or trustee in any case under the Bankruptcy Code, without the necessity of (i) commencing a foreclosure action with respect to this Mortgage, (ii) furnishing notice to the Mortgagor or tenants under the Leases, (iii) making formal demand for the Rents, (iv) taking possession of the Mortgaged Property as a lender-in-possession, (v) obtaining the appointment of a receiver of the Rents, (vi) sequestering or impounding the Rents, or (vii) taking any other affirmative action.

3.05 Bankruptcy Provisions. Without limiting the provisions of this Article III or the absolute nature of the assignment of the Rents hereunder, the Mortgagor and the Mortgagee agree that, to the extent that the assignment of the Rents hereunder is deemed to be other than an absolute assignment, (a) this Mortgage shall constitute a "security agreement" for purposes of Section 552(b) of the Bankruptcy Code; (b) the security interest created by this Mortgage extends to property of the Mortgagor acquired before the commencement of a bankruptcy case and to all amounts paid as Rents; and (c) such security interest shall extend to all Rents acquired by the estate after the commencement of any bankruptcy case. Without limiting the absolute nature of the assignment of the Rents hereunder, to the extent the Mortgagor (or the Mortgagor's bankruptcy estate) shall be deemed to hold any interest in the Rents after the commencement of a voluntary or involuntary bankruptcy case, the Mortgagor hereby acknowledges and agrees that such Rents are and shall be deemed to be "cash collateral" under Section 363 of the Bankruptcy Code.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

4.01 Events of Default. The occurrence of (i) at any time when any Credit Document Obligations or Letters of Credit are outstanding or any Commitments under the Credit

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Agreement exist, any Event of Default under, and as defined in, the Credit Agreement and (ii) at any time after all of the Credit Document Obligations have been paid in full and all Commitments under the Credit Agreement have been terminated and no further Commitments and Letters of Credit may be provided thereunder, any payment default on any of the Obligations after the expiration of any applicable grace period, shall constitute an event of default (each an "Event of Default") hereunder.

4.02 Remedies Upon Default. Upon the occurrence and during the continuance of an Event of Default, the Mortgagee may, in the Mortgagee's sole discretion, but subject to the terms of the Intercreditor Agreement, either itself or by or through one or more trustees, agents, nominees, assignees or otherwise, to the fullest extent permitted by law, exercise any or all of the following rights and remedies individually, collectively or cumulatively:

(a) either in person or by its agent, with or without bringing any action or proceeding, or by a receiver appointed by a court and without regard to the adequacy of its security, (i) to the extent not prohibited by applicable law, enter upon and take possession of the Mortgaged Property or any part thereof and of all books, records and accounts relating thereto or located thereon, in its own name or in the name of the Mortgagor, and do or cause to be done any acts which it deems necessary or desirable to preserve the value of the Mortgaged Property or any part thereof or interest therein, increase the income therefrom or protect the security hereof, (ii) with or without taking possession of the Mortgaged Property make such repairs, alterations, additions and improvements as the Mortgagee deems necessary or desirable and do any and all acts and perform any and all work which the Mortgagee deems necessary or desirable to complete any unfinished construction on the Mortgaged Property, (iii) make, cancel or modify Leases and sue for or otherwise collect the Rents thereof, including those past due and unpaid, (iv) make any payment or perform any act which the Mortgagor has failed to make or perform hereunder, (v) appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Mortgagee, (vi) pay, purchase, contest or compromise any encumbrance, charge or Lien on the Mortgaged Property, and (vii) take such other actions as the Mortgagee deems necessary or desirable;

(b) commence and maintain one or more actions at law or in equity or by any other appropriate remedy (i) to protect and enforce the Mortgagee's rights hereunder, including for the specific performance of any covenant or agreement herein contained (which covenants and agreements the Mortgagor agrees shall be specifically enforceable by injunctive or other appropriate equitable remedy), (ii) to collect any sum then due hereunder, (iii) to aid in the execution of any power herein granted, or (iv) to foreclose this Mortgage in accordance with Section 4.03 hereof;

(c) exercise any or all of the remedies available to a secured party under the UCC;

(d) by notice to the Mortgagor (to the extent such notice is required to be given under the Secured Debt Agreements), but without formal demand, presentment, notice of intention to accelerate or of acceleration, protest or notice of protest, all of which are hereby waived by the Mortgagor, declare all of the Obligations immediately

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due and payable, and upon such declaration all of such Obligations shall become and be immediately due and payable, anything in this Mortgage or the other Secured Debt Agreements to the contrary notwithstanding; and

(e) exercise any other right or remedy available to the Mortgagee under the Secured Debt Agreements or under applicable law.

4.03 Right of Foreclosure. (a) Upon the occurrence and continuation of an Event of Default, the Mortgagee shall have the right, in its sole discretion, but subject to the terms of the Intercreditor Agreement, to proceed at law or in equity to foreclose this Mortgage with respect to all or any portion of the Mortgaged Property, either by judicial action or by power of sale. If the Mortgaged Property consists of several lots, parcels or items of Mortgaged Property, the Mortgagee may, in its sole discretion: (i) designate the order in which such lots, parcels or items shall be offered for sale or sold, or (ii) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales, or in any other manner the Mortgagee may elect. Should the Mortgagee desire that more than one sale or other disposition of the Mortgaged Property be conducted, the Mortgagee may, at its option, cause the same to be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as the Mortgagee may elect and no such sale shall terminate or otherwise affect the lien of this Mortgage on any part of the Mortgaged Property not sold until all Obligations have been fully paid in cash and performed. The Mortgagee may elect to sell the Mortgaged Property for cash or credit. The Mortgagee may, to the extent permitted by law, adjourn from time to time any sale by it to be made under or by virtue of this Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, to the extent permitted by law, the Mortgagee may make such sale at the time and place to which the same shall be so adjourned. Following the occurrence and during the continuance of an Event of Default, with respect to all components of the Mortgaged Property, but subject to the terms of the Intercreditor Agreement, the Mortgagee is hereby appointed the true and lawful attorney-in-fact of the Mortgagor (which appointment is irrevocable and coupled with an interest), in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property, and for that purpose the Mortgagee may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with such power, the Mortgagor hereby ratifying and confirming all that its said attorney-in-fact or such substitute or substitutes shall lawfully do by virtue hereof. Notwithstanding the foregoing, the Mortgagor, if so requested by the Mortgagee, shall ratify and confirm any such sale or sales by executing and delivering to the Mortgagee or to such purchaser or purchasers all such instruments as may be advisable, in the judgment of the Mortgagee, for such purpose, and as may be designated in such request. To the extent permitted by law, any such sale or sales made under or by virtue of this Article IV shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Mortgagor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against the Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof, from, through or under the Mortgagor. Upon any sale made under or by virtue of this Article IV, the Mortgagee may, to the extent permitted by law, bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Obligations secured hereby the net sale price after

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deducting therefrom the expenses of the sale and the cost of the action and any other sums which the Mortgagee is authorized to deduct by law or under this Mortgage.

(b) Any foreclosure of this Mortgage and any other transfer of all or any part of the Mortgaged Property in extinguishment of all or any part of the Obligations may, at the Mortgagee's option, be subject to any or all Leases of all or any part of the Mortgaged Property, if any, and the rights of tenants under such Leases. No failure to make any such tenant a defendant in any foreclosure proceedings or to foreclose or otherwise terminate any such Lease and the rights of any such tenant in connection with any such foreclosure or transfer shall be, or be asserted to be, a defense or hindrance to any such foreclosure or transfer or to any proceedings seeking collection of all or any part of the Obligations (including, without limitation, any deficiency remaining unpaid after completion of any such foreclosure or transfer).

(c) If the Mortgagor retains possession of the Mortgaged Property or any part thereof subsequent to a sale, the Mortgagor will be considered a tenant at sufferance of the purchaser, and will, if the Mortgagor remains in possession after demand to remove, be guilty of forcible detainer and will be subject to eviction and removal, forcible or otherwise, with or without process of law, and all damages to the Mortgagor by reason thereof are hereby expressly waived by the Mortgagor.

4.04 Application of Proceeds. The proceeds of any sale of, and the Rents and other amounts generated by the holding, leasing, management, operation or other use of, the Mortgaged Property (including, without limitation, the Secured Property) pursuant to this Mortgage (including all monies received in respect of post-petition interest) shall be applied by the Mortgagee (or the receiver, if one is appointed) in accordance with the provisions of the U.S. Security Agreement. In furtherance of the foregoing, the terms of Section 7.4 of the U.S. Security Agreement shall be deemed to be incorporated herein by reference mutatis mutandis, as if each reference therein to the "Collateral Agent" were to the "Mortgagee (or the receiver, if one is appointed)", each reference to "Collateral" were to the "Mortgaged Property" and each reference to "Obligations" were to the "Obligations" as defined in this Mortgage.

4.05 Appointment of Receiver. Upon the occurrence and during the continuance of an Event of Default, the Mortgagee as a matter of strict right and without notice to the Mortgagor or anyone claiming under the Mortgagor, and without regard to the adequacy or the then value of the Mortgaged Property or the interest of the Mortgagor therein or the solvency of any party bound for payment of the Obligations, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Property, and the Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual rights, powers and duties of receivers in like or similar cases and all the rights, powers and duties of the Mortgagee in case of entry as provided in Section 4.02 hereof, including, but not limited to, the full power to rent, maintain and otherwise operate the Mortgaged Property upon such terms as are approved by the court and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Property unless such receivership is sooner terminated.

4.06 Exercise of Rights and Remedies. The entering upon and taking possession of the Mortgaged Property, the collection of any Rents and the exercise of any of the other rights

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contained in this Article IV, shall not, alone, cure or waive any Event of Default or notice of default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Property or the collection, receipt and application of Rents, the Mortgagee shall be entitled to exercise every right provided for herein or in the Secured Debt Agreements, or at law or in equity upon the occurrence of any Event of Default.

4.07 Remedies Not Exclusive. Subject to the terms of the Intercreditor Agreement, the Mortgagee shall be entitled to enforce payment and performance of the Obligations and to exercise all rights and powers under this Mortgage or any other agreement or any laws now or hereafter in force, notwithstanding that some or all of the Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, security deed, pledge, lien, assignment or otherwise. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the powers herein contained, shall prejudice or in any manner affect the Mortgagee's right to realize upon or enforce any other security now or hereafter held by the Mortgagee, it being agreed that the Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by the Mortgagee in such order and manner as it may in its absolute and sole discretion and election determine. No remedy herein conferred upon or reserved to the Mortgagee is intended to be exclusive of any other remedy herein or in any of the other Secured Debt Agreements or by law provided or permitted, but each shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Subject to the terms of (and to the extent not inconsistent with) the Intercreditor Agreement, every power or remedy to which the Mortgagee is entitled may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Mortgagee, and the Mortgagee may pursue inconsistent remedies. No delay or omission of the Mortgagee to exercise any right or power accruing upon any Event of Default shall impair any right or power or shall be construed as a waiver of any Event of Default or any acquiescence therein. If the Mortgagee shall have proceeded to invoke any right or remedy hereunder or under the Secured Debt Agreements and shall thereafter elect to discontinue or abandon it for any reason, the Mortgagee shall have the unqualified right to do so and, in such an event, the rights and remedies of the Mortgagee shall continue as if such right or remedy had never been invoked and no such discontinuance or abandonment shall waive any Event of Default which may then exist or the right of the Mortgagee thereafter to exercise any right or remedy under the Secured Debt Agreements for such Event of Default.

4.08 WAIVER OF REDEMPTION, NOTICE, MARSHALLING, ETC. NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, TO THE EXTENT PERMITTED BY LAW, THE MORTGAGOR: (A) ACKNOWLEDGING THAT IT IS AWARE OF AND HAS HAD THE ADVICE OF COUNSEL OF ITS CHOICE WITH RESPECT TO ITS RIGHTS HEREUNDER, WILL NOT (I) AT ANY TIME INSIST UPON, OR PLEAD, OR IN ANY MANNER WHATSOEVER, CLAIM OR TAKE ANY BENEFIT OR ADVANTAGE OF ANY STAY OR EXTENSION OR MORATORIUM LAW, PRESENT OR FUTURE STATUTE OF LIMITATIONS, ANY LAW RELATING TO THE ADMINISTRATION OF ESTATES OF DECEDENTS, APPRAISEMENT, VALUATION, REDEMPTION, STATUTORY RIGHT OF REDEMPTION, OR THE MATURING OR DECLARING DUE OF THE WHOLE OR ANY PART OF THE OBLIGATIONS, NOTICE OF INTENTION OF SUCH MATURING OR DECLARING DUE, OTHER NOTICE (WHETHER

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OF DEFAULTS, ADVANCES, THE CREATION, EXISTENCE, EXTENSION OR RENEWAL OF ANY OF THE OBLIGATIONS OR OTHERWISE, EXCEPT FOR RIGHTS TO NOTICES EXPRESSLY GRANTED HEREIN OR IN THE SECURED DEBT AGREEMENTS), SUBROGATION, ANY SET-OFF RIGHTS, HOMESTEAD OR ANY OTHER EXEMPTIONS FROM EXECUTION OR SALE OF THE MORTGAGED PROPERTY OR ANY PART THEREOF, WHEREVER ENACTED, NOW OR AT ANY TIME HEREAFTER IN FORCE, WHICH MAY AFFECT THE COVENANTS AND TERMS OF PERFORMANCE OF THIS MORTGAGE, OR (II) CLAIM, TAKE OR INSIST UPON ANY BENEFIT OR ADVANTAGE OF ANY LAW NOW OR HEREAFTER IN FORCE PROVIDING FOR THE VALUATION OR APPRAISAL OF THE MORTGAGED PROPERTY OR ANY PART THEREOF, PRIOR TO ANY SALE OR SALES THEREOF WHICH MAY BE MADE PURSUANT TO ANY PROVISION HEREOF, OR PURSUANT TO THE DECREE, JUDGMENT OR ORDER OF ANY COURT OF COMPETENT JURISDICTION, OR (III) AFTER ANY SUCH SALE OR SALES, CLAIM OR EXERCISE ANY RIGHT UNDER ANY STATUTE HERETOFORE OR HEREAFTER ENACTED TO REDEEM THE MORTGAGED PROPERTY SO SOLD OR ANY PART THEREOF; AND (B) COVENANTS NOT TO HINDER, DELAY OR IMPEDE THE EXECUTION OF ANY POWER HEREIN GRANTED OR DELEGATED TO THE MORTGAGEE, BUT TO SUFFER AND PERMIT THE EXECUTION OF EVERY POWER AS THOUGH NO SUCH LAW OR LAWS HAD BEEN MADE OR ENACTED. THE MORTGAGOR, FOR ITSELF AND ALL WHO MAY CLAIM UNDER IT, WAIVES, TO THE EXTENT THAT IT LAWFULLY MAY, ALL RIGHT TO HAVE THE MORTGAGED PROPERTY MARSHALLED UPON ANY FORECLOSURE HEREOF.

4.09 Expenses of Enforcement. In connection with any action to enforce any remedy of the Mortgagee under this Mortgage, the Mortgagor agrees to pay all costs and expenses which may be paid or incurred by or on behalf of the Mortgagee, including, without limitation, reasonable attorneys' fees, receiver's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurances with respect to title and value as the Mortgagee may deem necessary or desirable, and neither the Mortgagee nor any other Person shall be required to accept tender of any portion of the Obligations unless the same be accompanied by a tender of all such expenses, costs and commissions. All of the costs and expenses described in this Section 4.09, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the Lien of this Mortgage and the Mortgagee's security interest in the Mortgaged Property, including the fees of any attorney employed by the Mortgagee in any litigation or proceeding, including appellate proceedings, affecting this Mortgage or the Mortgaged Property (including, without limitation, the occupancy thereof or any construction work performed thereon), including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding whether or not an action is actually commenced, shall be immediately due and payable by the Mortgagor, with interest thereon at the rate of interest set forth in Section 2.08(d) of the Credit Agreement and shall be part of the Obligations secured by this Mortgage.

4.10 Indemnity. (a) The Mortgagor agrees to indemnify, reimburse and hold the

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Mortgagee and each other Secured Creditor and their respective successors, assigns, employees, affiliates and agents (referred to in this Mortgage individually as an "Indemnitee", and collectively as "Indemnitees") harmless from any and all liabilities, obligations, damages, injuries, penalties, claims, demands, actions, suits, judgments and any and all costs, expenses or disbursements (including reasonable attorneys' fees and expenses) (for the purposes of this Section 4.10 the foregoing are collectively called "expenses") of whatsoever kind and nature imposed on, asserted against or incurred by any of the Indemnitees in any way relating to or arising out of this Mortgage or in any way connected with the administration of the transactions contemplated hereby or the enforcement of any of the terms of, or the preservation of any rights under this Mortgage, or in any way relating to or arising out of the manufacture, ownership, ordering, purchase, delivery, control, acceptance, lease, financing, possession, operation, condition, sale, return or other disposition, or use of the Mortgaged Property (including, without limitation, latent or other defects, whether or not discoverable), the violation of the laws of any country, state or other governmental body or unit, any tort (including, without limitation, claims arising or imposed under the doctrine of strict liability, or for or on account of injury to or the death of any person (including any Indemnitee), or property damage), or contract claim; provided that no Indemnitee shall be indemnified pursuant to this Section 4.10(a) for losses, damages or liabilities to the extent caused by the gross negligence or willful misconduct of such Indemnitee (as determined by a court of competent jurisdiction in a final and non-appealable decision); provided further that the Mortgagor shall not be required to reimburse the legal fees and expenses of more than one outside counsel (in addition to any necessary or advisable special counsel and up to one local counsel in each applicable local jurisdiction) for all Indemnitees unless, in the written opinion of outside counsel reasonably satisfactory to the Mortgagor and the Collateral Agent, representation of all such Indemnitees would be inappropriate due to the existence of an actual or potential conflict of interest. The Mortgagor agrees that upon written notice by any Indemnitee of the assertion of such a liability, obligation, damage, injury, penalty, claim, demand, action, suit or judgment, the Mortgagor shall assume full responsibility for the defense thereof. Each Indemnitee agrees to use its best efforts to promptly notify the Mortgagor of any such assertion of which such Indemnitee has knowledge.

(b) Without limiting the application of Section 4.10(a) hereof, the Mortgagor agrees to pay or reimburse the Mortgagee for any and all reasonable expenses, fees and costs described in Section 1.06 of this Mortgage which are expended or incurred by the Mortgagee or any Indemnitee pursuant to Section 4.09 of this Mortgage.

(c) Without limiting the application of Sections 4.10(a) and (b) of this Mortgage, the Mortgagor agrees to pay, indemnify and hold each Indemnitee harmless from and against any loss, costs, damages and expenses which such Indemnitee may suffer, expend or incur in consequence of or growing out of any misrepresentation by the Mortgagor in this Mortgage or in any writing contemplated by or made or delivered pursuant to or in connection with this Mortgage.

(d) If and to the extent that the obligations of the Mortgagor under this Section 4.10 are unenforceable for any reason, the Mortgagor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law.

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4.11 Indemnity Obligations Secured by Mortgaged Property; Survival. Any amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement shall constitute Obligations secured by the Mortgaged Property. The indemnity obligations of the Mortgagor contained in this Article IV shall continue in full force and effect notwithstanding the full payment of all of the other Obligations and notwithstanding the full payment of all the Notes issued, and Loans made, under the Credit Agreement, the termination of all Letters of Credit (and the full payment of all Unpaid Drawings) issued under the Credit Agreement, the termination of all Secured Hedging Agreements entered into with the Other Creditors, the termination of all Treasury Services Agreements entered into with the Treasury Services Creditors and the payment of all other Obligations and notwithstanding the discharge thereof and the occurrence of the Termination Date.

ARTICLE V

ADDITIONAL COLLATERAL

5.01 Additional Collateral. (a) The Mortgagor acknowledges and agrees that the Obligations are secured by the Mortgaged Property and various other Collateral (which term, for purposes of this Section 5.01, includes Collateral under the Security Documents) including, without limitation, at the time of execution of this Mortgage certain personal property of the Mortgagor and other parties described in the Secured Debt Agreements. The Mortgagor specifically acknowledges and agrees that the Mortgaged Property, in and of itself, if foreclosed or realized upon would not be sufficient to satisfy the outstanding amount of the Obligations. Accordingly, the Mortgagor acknowledges that it is in the Mortgagor's contemplation that the other Collateral pledged to secure the Obligations may be pursued by the Mortgagee in separate proceedings in the various States, counties and other countries where such Collateral may be located and additionally that the Mortgagor and other parties liable for payment of the Obligations will remain liable for any deficiency judgments in addition to any amounts the Mortgagee may realize on sales of other property or any other Collateral given as security for the Obligations. Specifically, and without limitation of the foregoing, it is agreed that it is the intent of the parties hereto that in the event of a foreclosure of this Mortgage, the Indebtedness evidencing the Obligations shall not be deemed merged into any judgment of foreclosure, but rather shall remain outstanding. It is the further intent and understanding of the parties that the Mortgagee, following an Event of Default, may pursue all of its Collateral with the Obligations remaining outstanding and in full force and effect notwithstanding any judgment of foreclosure or any other judgment which the Mortgagee may obtain.

(b) The Mortgagor acknowledges and agrees that the Mortgaged Property and the property which may from time to time be encumbered by the other Secured Debt Agreements may be located in more than one State or country and therefore the Mortgagor waives and relinquishes any and all rights it may have, whether at law or equity, to require the Mortgagee to proceed to enforce or exercise any rights, powers and remedies it may have under the Secured Debt Agreements in any particular manner, in any particular order, or in any particular State or other jurisdiction. Furthermore, the Mortgagor acknowledges and agrees that the Mortgagee shall be allowed to enforce payment and performance of the Obligations and to exercise all rights and powers provided under this Mortgage, or the other Secured Debt Agreements or under any provision of law, by one or more proceedings, (whether contemporaneous, consecutive or both)

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in any one or more States or countries in which the security is located. Neither the acceptance of this Mortgage or any Secured Debt Agreement nor the enforcement in one State or country, whether by court action, power of sale, or otherwise, shall prejudice or in any way limit or preclude enforcement of such documents through one or more additional proceedings, in that State or in any other State or country.

(c) The Mortgagor further agrees that any particular remedy or proceeding, including, without limitation, foreclosure through court action (in a state or federal court) or power of sale, may be brought and prosecuted in the local or federal courts of any one or more States as to all or any part of the Mortgaged Property or the property encumbered by the Secured Debt Agreements, wherever located, without regard to the fact that any one or more prior or contemporaneous proceedings have been situated elsewhere with respect to the same or any other part of the Mortgaged Property and the property encumbered by the Secured Debt Agreements.

(d) The Mortgagee may resort to any other security held by the Mortgagee for the payment of the Obligations in such order and manner as the Mortgagee may elect.

(e) Notwithstanding anything contained herein to the contrary, the Mortgagee shall be under no duty to the Mortgagor or others, including, without limitation, the holder of any junior, senior or subordinate mortgage on the Mortgaged Property or any part thereof or on any other security held by the Mortgagee, to exercise or exhaust all or any of the rights, powers and remedies available to the Mortgagee.

ARTICLE VI

MISCELLANEOUS

6.01 Governing Law. The provisions of this Mortgage regarding the creation, perfection and enforcement of the liens and security interests herein granted in respect of the Mortgaged Property (except for the Secured Property, other than fixtures) shall be governed by and construed under the laws of the State in which the Mortgaged Property is located. All other provisions of this Mortgage shall be governed by the laws of the State of New York (including, without limitation, Section 5-1401 of the General Obligations Law of the State of New York), without regard to choice of law provisions.

6.02 Limitation on Interest. It is the intent of the Mortgagor and the Mortgagee in the execution of this Mortgage and all other instruments evidencing or securing the Obligations to contract in strict compliance with applicable usury laws. In furtherance thereof, the Mortgagee and the Mortgagor stipulate and agree that none of the terms and provisions contained in this Mortgage shall ever be construed to create a contract for the use, forbearance or retention of money requiring payment of interest at a rate in excess of the maximum interest rate permitted to be charged by relevant law. If this Mortgage or any other instrument evidencing or securing the Obligations violates any applicable usury law, then the interest rate payable in respect of the Loans shall be the highest rate permissible by law.

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6.03 Notices. Except as otherwise expressly provided herein, all notices, requests, demands or other communications provided for hereunder shall be in writing and mailed, transmitted via facsimile, telegraph, telex, cable or delivered via courier service as set forth in the Credit Agreement. All such notices and communications shall be effective as provided in Section 13.03 of the Credit Agreement.

6.04 Captions. The captions or headings at the beginning of each Article and Section hereof are for the convenience of the parties hereto and are not a part of this Mortgage.

6.05 Amendment. None of the terms and conditions of this Mortgage may be changed, waived, modified or varied in any manner whatsoever except in accordance with the U.S. Security Agreement.

6.06 Obligations Absolute. Subject to the terms of the Intercreditor Agreement, the obligations of the Mortgagor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (a) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of the Mortgagor; (b) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Mortgage or any other Secured Debt Agreement; or (c) any amendment to or modification of any Secured Debt Agreement or any security for any of the Obligations; whether or not the Mortgagor shall have notice or knowledge of any of the foregoing.

6.07 Further Assurances. The Mortgagor shall, upon the written request of the Mortgagee and at the expense of the Mortgagor, but subject to the provisions of the Intercreditor Agreement: (a) promptly correct any defect, error or omission which may be discovered in this Mortgage or any Uniform Commercial Code financing statements filed in connection herewith; (b) promptly execute, acknowledge, deliver and record or file such further instruments (including, without limitation, further mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements and assignments of rents or leases) and promptly do such further acts as may be necessary, desirable or proper to carry out more effectively the purposes of this Mortgage and to subject to the Liens and security interests hereof any property intended by the terms hereof to be encumbered hereby, including, but not limited to, any renewals, additions, substitutions, replacements or appurtenances to the Mortgaged Property; and (c) promptly execute, acknowledge, deliver, procure and record or file any document or instrument (including specifically any financing statement) deemed advisable by the Mortgagee to protect, continue or perfect the Liens or the security interests hereunder against the rights or interests of third Persons.

6.08 Partial Invalidity. If any of the provisions of this Mortgage or the application thereof to any person, party or circumstances shall to any extent be invalid or unenforceable, the remainder of this Mortgage, or the application of such provision or provisions to persons, parties or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and every provision of this Mortgage shall be valid and enforceable to the fullest extent permitted by law.

6.09 Partial Releases. No release from the Lien of this Mortgage of any part of the Mortgaged Property by the Mortgagee shall in any way alter, vary or diminish the force or

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effect of this Mortgage on the balance of the Mortgaged Property or the priority of the Lien of this Mortgage on the balance of the Mortgaged Property.

6.10 Priority. This Mortgage is intended to and shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the real estate, to the extent of the maximum amount secured hereby.

6.11 Covenants Running with the Land. All Obligations are intended by the Mortgagor and the Mortgagee to be, and shall be construed as, covenants running with the Mortgaged Property. As used herein, the "Mortgagor" shall refer to the party named in the first paragraph of this Mortgage and to any subsequent owner of all or any portion of the Mortgaged Property. All persons who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of, and be bound by, the terms of the Credit Agreement and the other Secured Debt Agreements; provided, however, that no such party shall be entitled to any rights thereunder without prior written consent of the Mortgagee.

6.12 Successors and Assigns. This Mortgage shall be binding upon and inure to the benefit of the Mortgagee and the Mortgagor and their respective successors and assigns. Except as expressly permitted by Credit Agreement, the Mortgagor shall not assign any rights, duties, or obligations hereunder.

6.13 Purpose of Loans. The Mortgagor hereby represents and agrees that the Obligations secured by this Mortgage are being obtained for business or commercial purposes, and the proceeds thereof will not be used for personal, family, residential, household or agricultural purposes.

6.14 No Joint Venture or Partnership. The relationship created hereunder and under the other Secured Debt Agreements is that of creditor/debtor. The Mortgagee does not owe any fiduciary or special obligation to the Mortgagor and/or any of the Mortgagor's officers, partners, agents, or representatives. Nothing herein or in any other Secured Debt Agreement is intended to create a joint venture, partnership, tenancy-in-common or joint tenancy relationship between the Mortgagor and the Mortgagee.

6.15 The Mortgagee as Agent for Secured Creditors. It is expressly understood and agreed that the rights and obligations of the Mortgagee as holder of this Mortgage and as Collateral Agent for the Secured Creditors and otherwise under this Mortgage are only those expressly set forth in this Mortgage, in Section 12 of the Credit Agreement and in Annex M of the U.S. Security Agreement, the terms of which shall be deemed incorporated herein by reference as fully as if the same were set forth herein in their entirety, except that for the purposes of this Mortgage references therein to "Assignor" shall be deemed references to "Mortgagor", and references to "Collateral" shall be deemed references to "Mortgaged Property". The Mortgagee shall act hereunder pursuant to the terms and conditions set forth herein, in the Credit Agreement and in Annex M of the U.S. Security Agreement.

6.16 Recourse. This Mortgage is made with full recourse to the Mortgagor and to the Mortgaged Property and the Secured Property, and pursuant to and upon all the warranties, representations, covenants and agreements on the part of the Mortgagor contained herein and in

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the other Secured Debt Agreements and otherwise in writing in connection herewith or therewith.

6.17 Reduction of Secured Amount. In the event that the maximum principal amount secured by this Mortgage is less than the aggregate Obligations, then the amount secured hereby shall be reduced only by the last and final sums that the Mortgagor or any other Credit Party repays with respect to the Obligations and shall not be reduced by any intervening repayments of the Obligations. So long as the balance of the Obligations exceeds the amount secured hereby, any payments of the Obligations shall not be deemed to be applied against, or to reduce, the portion of the Obligations secured by this Mortgage.

6.18 Acknowledgment of Receipt. The Mortgagor hereby acknowledges receipt of a true copy of this Mortgage.

6.19 Release. Following the Termination Date this Mortgage shall be released of record, and the Mortgagee, at the request and expense of the Mortgagor, will promptly execute and deliver to the Mortgagor (without recourse and without representation or warranty) a proper instrument or instruments acknowledging the satisfaction and termination of this Mortgage (or assignment hereof) and releasing the Lien of record created by this Mortgage; provided, however, that all indemnities set forth herein (including, without limitation Section 4.10 hereof) shall survive such termination in accordance with the terms of the Credit Agreement and Section 4.11 of this Mortgage. In addition, this Mortgage shall be wholly or partially released of record, as appropriate: (x) in the event of a sale, transfer or other disposition of all or a portion of the Mortgaged Property specifically permitted pursuant to the Credit Agreement; or (y) upon the written consent of the Required Secured Creditors (as defined in the U.S. Security Agreement) (a release under either of the preceding clauses (x) or (y) are referred to herein as a "Permitted Release"). The Mortgagor shall deliver to the Mortgagee a certificate (the "Officer's Certificate") executed by an officer of the Mortgagor stating that the release of the Mortgaged Property is permitted pursuant to the terms and conditions of the Credit Agreement, that the proceeds of such sale, transfer or other disposition of the Mortgaged Property will be applied, subject to the provisions of the Intercreditor Agreement, in accordance with the provisions of the Credit Agreement (to the extent required to be applied) and setting forth any further information and/or certifications which are required under the Credit Agreement as conditions to be met in order for the release to constitute a Permitted Release. Upon receipt by the Mortgagee of the Officer's Certificate, the Mortgagee shall, at the expense of the Mortgagor, promptly execute and deliver to the Mortgagor (without recourse and without representation or warranty) a proper instrument or instruments evidencing the Permitted Release; but provided that the indemnities set forth herein (including without limitation Section 4.10 hereof) shall survive the release of this Mortgage. The Mortgagee shall have no liability whatsoever to any other Secured Creditor as a result of any release of all or any portion of the Mortgaged Property by it in accordance with (or which the Mortgagee, in the absence of gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision) believes to be in accordance with) this Section 6.19.

6.20 Time of the Essence. Time is of the essence with respect to the obligations of the Mortgagor under this Mortgage.

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6.21 The Mortgagee's Powers. Without affecting the liability of any other Person liable for the payment and performance of the Obligations and without impairing the Lien of this Mortgage or the Mortgagee's security interest in the Mortgaged Property in any way, the Mortgagee may, from time to time, regardless of consideration and without notice to or consent by the holder of any subordinate Lien, right, title or interest in or to the Mortgaged Property, but subject to the provisions of the Intercreditor Agreement: (a) release any Persons liable for the Obligations; (b) extend the maturity of, increase or otherwise alter any of the terms of the Obligations; (c) modify the interest rate payable on the principal balance of the Obligations; (d) release or reconvey, or cause to be released or reconveyed all or any portion of the Mortgaged Property; or (e) take or release any other or additional security for the Obligations.

6.22 Rules of Usage. The following rules of usage shall apply to this Mortgage unless otherwise required by the context:

1. Singular words shall connote the plural as well as the singular, and vice versa, as may be appropriate.
2. The words "herein", "hereof" and "hereunder" and words of similar import appearing in this Mortgage shall be construed to refer to such document as a whole and not to any particular section, paragraph or other subpart thereof unless expressly so stated.
3. References to any Person shall include such Person and its successors and permitted assigns.
4. Each of the parties hereto and their counsel have reviewed and revised, or requested revisions to, this Mortgage, and the usual rule of construction that any ambiguities are to be resolved against the drafting party shall be inapplicable in the construction and interpretation of such documents and any amendments or exhibits thereto.
5. Unless an express provision requires otherwise, each reference to "the Mortgaged Property" shall be deemed a reference to "the Mortgaged Property or any part thereof", and each reference to "Secured Property" shall be deemed a reference to "the Secured Property or any part thereof".

6.23 No Off-Set. All sums payable by the Mortgagor shall be paid without counterclaim, other compulsory counterclaims, set-off, or deduction and without abatement, suspension, deferment, diminution or reduction, and the Obligations shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (a) any damage or any condemnation of the Mortgaged Property or any part thereof; (b) any title defect or encumbrance or any eviction from the Mortgaged Property or any part thereof by title paramount or otherwise; or (c) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to the Mortgagee or the Mortgagor, or any action taken with respect to this Mortgage by any agent or receiver of the Mortgagee. The Mortgagor waives, to the extent permitted by law, all rights now or hereafter

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conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any of the Obligations.

6.24 Consent to Jurisdiction and Service of Process; Waiver of Jury Trial.

(a) ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS MORTGAGE MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS MORTGAGE, THE MORTGAGOR HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE JURISDICTION OF THE AFORESAID COURTS. THE MORTGAGOR HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER THE MORTGAGOR, AND AGREES NOT TO PLEAD OR CLAIM, IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS MORTGAGE BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER THE MORTGAGOR. THE MORTGAGOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO THE MORTGAGOR AT ITS ADDRESS FOR NOTICES PURSUANT TO SECTION 6.03 HEREOF, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. THE MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE MORTGAGEE, OR ANY SECURED CREDITOR, TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST THE MORTGAGOR IN ANY OTHER JURISDICTION (INCLUDING THE JURISDICTION IN WHICH THE MORTGAGED PROPERTY IS LOCATED).

(b) THE MORTGAGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS MORTGAGE BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY, TO THE EXTENT PERMITTED BY APPLICABLE LAW, WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) THE MORTGAGOR AND THE MORTGAGEE EACH HEREBY IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION,

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PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS MORTGAGE.

6.25 Future Advances. This Mortgage is given to secure the Obligations under, or in respect of, the Secured Debt Agreements and shall secure not only obligations with respect to presently existing indebtedness under the foregoing documents and agreements but also any and all other indebtedness which may hereafter be owing to the Secured Creditors under the Secured Debt Agreements, however incurred, whether interest, discount or otherwise, and whether the same shall be deferred, accrued or capitalized, including future advances and re-advances, pursuant to the Credit Agreement or the other Secured Debt Agreements, whether such advances are obligatory or to be made at the option of the Secured Creditors, or otherwise, to the same extent as if such future advances were made on the date of the execution of this Mortgage. The Lien of this Mortgage shall be valid as to all indebtedness secured hereby, including future advances, from the time of its filing for record in the recorder's office of the county in which the Mortgaged Property is located. This Mortgage is intended to and shall be valid and have priority over all subsequent Liens and encumbrances, including statutory Liens, excepting solely taxes and assessments levied on the real estate, to the extent of the maximum amount secured hereby, and Permitted Encumbrances related thereto. Although this Mortgage is given to secure all future advances made by the Mortgagee and/or the other Secured Creditors to or for the benefit of the Borrower, the Mortgagor and on the Mortgaged Property, whether obligatory or optional, the Mortgagor and the Mortgagee hereby acknowledge and agree that the Mortgagee and the other Secured Creditors are obligated by the terms of the Secured Debt Agreements to make certain future advances, including advances of a revolving nature, subject to the fulfillment of the relevant conditions set forth in the Secured Debt Agreements.

6.26 Addendum. The terms and conditions set forth in the Addendum attached hereto are made an integral part hereof and are incorporated in this Mortgage by reference.

6.27 Intercreditor Agreement. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE LIENS AND SECURITY INTERESTS GRANTED TO THE COLLATERAL AGENT PURSUANT TO THIS MORTGAGE IN ANY MORTGAGED PROPERTY AND THE EXERCISE OF ANY RIGHT OR REMEDY BY THE COLLATERAL AGENT WITH RESPECT TO ANY MORTGAGED PROPERTY HEREUNDER ARE SUBJECT TO THE PROVISIONS OF THE INTERCREDITOR AGREEMENT, DATED AS OF AUGUST 1, 2006 (AS AMENDED, RESTATED, SUPPLEMENTED OR OTHERWISE MODIFIED FROM TIME TO TIME, THE "INTERCREDITOR AGREEMENT"), AMONG ALERIS INTERNATIONAL, INC., A DELAWARE CORPORATION (THE "COMPANY"), EACH OTHER U.S. BORROWER PARTY THERETO, EACH CANADIAN BORROWER PARTY THERETO, ALERIS SWITZERLAND GMBH, ALERIS DEUTSCHLAND HOLDING GMBH, THE OTHER GRANTORS FROM TIME TO TIME PARTY THERETO, DEUTSCHE BANK AG NEW YORK BRANCH ("DBNY"), AS ABL ADMINISTRATIVE AGENT, CITICORP NORTH AMERICA, INC. ("CITICORP"), AS ABL COLLATERAL AGENT, DBNY, AS TERM ADMINISTRATIVE AGENT AND CITICORP, AS TERM COLLATERAL AGENT, AND CERTAIN OTHER PERSONS PARTY OR THAT MAY BECOME PARTY THERETO FROM TIME TO TIME. IN THE EVENT OF ANY CONFLICT BETWEEN THE TERMS OF THE INTERCREDITOR AGREEMENT AND THIS MORTGAGE, THE TERMS OF THE INTERCREDITOR AGREEMENT SHALL GOVERN AND CONTROL.

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ARTICLE VII

DEFINITIONS

The following terms shall have the meanings herein specified. Such definitions shall be equally applicable to the singular and plural forms of the terms defined.

“Administrative Agent” shall have the meaning provided in the recitals of this Mortgage.

“After Acquired Property Interests” shall have the meaning provided in Section 1.10 of this Mortgage.

“Bankruptcy Code” shall have the meaning provided in granting clause “G” of this Mortgage.

“Borrower” shall have the meaning provided in the recitals of this Mortgage.

“Condemnation” shall have the meaning provided in Section 1.07 of this Mortgage.

“Credit Agreement” shall have the meaning provided in the recitals of this Mortgage.

“Credit Document Obligations” shall have the meaning provided in the recitals of this Mortgage.

“Equipment” shall have the meaning provided in granting clause “C” of this Mortgage.

“Event of Default” shall have the meaning provided in Section 4.01 of this Mortgage.

“Improvements” shall have the meaning provided in granting clause “B” of this Mortgage.

“Indemnitee” shall have the meaning provided in Section 4.10(a) of this Mortgage.

“Land” shall have the meaning provided in granting clause “A” of this Mortgage.

“Leases” shall have the meaning provided in granting clause “G” of this Mortgage.

“Lender Creditors” shall have the meaning provided in the recitals of this Mortgage.

“Lenders” shall have the meaning provided in the recitals of this Mortgage.

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“Mortgage” shall mean this Mortgage, Security Agreement, Assignment of Leases, Rents and Profits, Financing Statement and Fixture Filing, as the same may be amended, modified, restated and/or supplemented from time to time in accordance with its terms.

“Mortgaged Property” shall have the meaning provided following the granting clauses of this Mortgage.

“Mortgagee” shall have the meaning provided in the first paragraph of this Mortgage.

“Mortgagor” shall have the meaning provided in the first paragraph of this Mortgage.

“Noticed Event of Default” shall mean (i) an Event of Default under Section 11.01 or 11.04 of the Credit Agreement and (ii) any other Event of Default in respect of which the Administrative Agent has given Aleris notice that such Event of Default constitutes a “Noticed Event of Default”.

“Obligations” shall have the meaning provided in the recitals of this Mortgage.

“Officer’s Certificate” shall have the meaning provided in Section 6.19 of this Mortgage.

“Other Creditors” shall have the meaning provided in the recitals of this Mortgage.

“Other Obligations” shall have the meaning provided in the recitals of this Mortgage.

“Permitted Release” shall have the meaning provided in Section 6.19 of this Mortgage.

“Rents” shall have the meaning provided in granting clause “H” of this Mortgage.

“Secured Creditors” shall have the meaning provided in the recitals of this Mortgage.

“Secured Debt Agreements” shall have the meaning provided in Section 1.03 of this Mortgage.

“Secured Property” shall have the meaning provided in Section 2.01 of this Mortgage.

“Termination Date” shall have the meaning provided in Section 10.8(a) of the U.S. Security Agreement.

“UCC” shall have the meaning provided in Section 2.02 of this Mortgage.

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[ADDENDUM IMMEDIATELY FOLLOWS]

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ADDENDUM

1. The following paragraph is added just prior to the paragraph beginning "TO HAVE AND TO HOLD the above granted" appearing on page 8 of the Mortgage:

"AND without limiting any of the other provisions of this Mortgage, the Mortgagor expressly grants to the Mortgagee, as secured party, a security interest in the portion of the Mortgaged Property which is or may be subject to the Illinois Uniform Commercial Code - Secured Transactions Illinois Compiled Statutes Chapter 810, Section 5/9-101 et seq. (the "Illinois Uniform Commercial Code") provisions applicable to secured transactions to secure the Obligations, and the Mortgagee shall have, in addition to all rights and remedies provided herein, and in any other agreements made by the Mortgagor to the Mortgagee, all of the rights and remedies of a "secured party" under said Illinois Uniform Commercial Code; it being understood and agreed that the Improvements and Equipment constituting fixtures are part and parcel of the Mortgaged Property appropriated to the use thereof and, while affixed or annexed to the Land or the buildings and structures thereon, shall for the purposes of this Mortgage be deemed conclusively to be real estate and transferred and conveyed hereby; and the Mortgagor agrees to execute and deliver from time to time, such further instruments (including security agreements) as may be reasonably requested by the Mortgagee to confirm the lien of this Mortgage on any Improvements."

2. The following six new sections are added after Section 1.10:

1.11 Type of Property. The Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in the Illinois Mortgage Foreclosure Law, Illinois Compiled Statutes Chapter 735, Section 5/15-1101 et seq., herein the "Act"), or residential real estate (as defined in the Act). The Mortgagor waives its rights of redemption pursuant to the Act.

1.12 Business Loan. The Mortgagor stipulates, represents, warrants, affirms, and agrees that the Obligations secured by this Mortgage constitute loans to a corporation and/or other "Business Loans" within the meaning of Sections 205/4(a) or (c) of Chapter 815 of the Illinois Compiled Statutes, as amended.

1.13 No Property Manager's Lien. Any property management agreement for or relating to all or any part of the Mortgaged Property entered into hereafter by the Mortgagor or on behalf of the Mortgagor, shall contain a subordination provision whereby the property manager forever and unconditionally subordinates to the lien of this Mortgage and the Secured Debt Agreements any and all mechanic's lien rights and claims that it or anyone claiming through or under it may have at any time pursuant to any statute or law, including, without limitation, Illinois Compiled Statutes, Chapter 770, Section 60/1. Such property management agreement or a short form thereof, including such subordination, shall, at the Mortgagee's request, be recorded with the office of the recorder of deeds for the county in which the Mortgaged Property is located. The Mortgagor's failure to cause any of the foregoing to occur shall constitute a default under this Mortgage."

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1.14 Maturity Date. The last stated maturity date of the Obligations secured hereby is on or before August 1, 2011.

1.15 Maximum Amount Secured. The maximum amount of the Obligations which may be secured hereby is \$2,550,000,000.

1.16 Accountant's Letter. If the Mortgagee requests, the Mortgagor shall use commercially reasonable efforts to deliver to the Mortgagee a letter addressed to the Mortgagee and signed by each accountant or firm of accountants who prepared, reviewed or certified any of the financial statements furnished to the Mortgagee. Such letter shall affirm that such accountant or firm of accountants understands: (i) that the Mortgagee will rely on such financial statements and all future financial statements prepared, reviewed or certified by such accountant or firm, and furnished to the Mortgagee; and, (ii) that the liability and responsibility of such accountant or firm of accountants to the Mortgagee with respect to such statements will not be eliminated, diminished or affected in any way by 225 ILCS 450/30.1 or any other similar law."

3. The following language is added to the end of Section 4.08 of the Mortgage:

"THE MORTGAGEE, ON ITS OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE MORTGAGED PROPERTY SUBSEQUENT TO THE DATE OF THIS MORTGAGE, HEREBY IRREVOCABLY WAIVES PURSUANT TO 735 ILCS 5/15-1601 OF THE ACT ANY AND ALL RIGHTS OF REINSTATEMENT (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REINSTATEMENT PROVIDED FOR IN 735 ILCS 5/15-1602) OR REDEMPTION FROM SALE OR FROM OR UNDER ANY ORDER, JUDGMENT OR DECREE OF FORECLOSURE OF THIS MORTGAGE (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REDEMPTION PROVIDED FOR IN 735 ILCS 5/15-1603) OR UNDER ANY POWER CONTAINED HEREIN OR UNDER ANY SALE PURSUANT TO ANY STATUTE, ORDER, DECREE OR JUDGMENT OF ANY COURT."

4. The following is added as a new article after the end of Article VI:

"ARTICLE VII

STATE-SPECIFIC PROVISIONS

7.01 Compliance with Illinois Mortgage Foreclosure Law.

(a) If any provision of this Mortgage is inconsistent with any applicable provision of the Act (as defined above), the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can fairly be construed in a manner consistent with the Act.

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(b) Without in any way limiting or restricting any of Mortgagee's rights, remedies, powers and authorities under this Mortgage, and in addition to all of such rights, remedies, powers, and authorities, the Mortgagee shall also have and may exercise any and all rights, remedies, powers and authorities which the holder of a mortgage is permitted to have or exercise under the provision of the Act, as the same may be amended from time to time, except as otherwise expressly provided herein.

(c) Without limiting the generality of the foregoing, all expenses incurred by the Mortgagee, to the extent reimbursable under Section 5/15-1510, 5/15-1512, or any other provision of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether or not enumerated in any other provision of this Mortgage, shall be added to the Obligations secured by this Mortgage and by the judgment of foreclosure."

(4) This Mortgage secures in part or in full a revolving credit arrangement as described in Section 5/15-1302(b)(3) of the Act."

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

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IN WITNESS WHEREOF, the undersigned, by its duly elected officer(s) and pursuant to proper authority has duly executed, acknowledged and delivered this instrument as of the day and year first above written.

IMCO RECYCLING OF ILLINOIS INC., an
Illinois corporation

By: 

Name: Sean M. Stack

Title: Senior Vice President

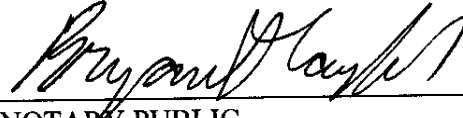
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STATE OF New York)
ss.:
COUNTY OF New York)

On this the 1 day of ^{August}~~July~~, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared Sean M. Stack, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

WITNESS my hand and official seal.



NOTARY PUBLIC

State of: New York

My Commission Expires: 3/7/09

[SEAL]

BRYANT TAYLOR
Notary Public, State of New York
No. 01TA6123452
Qualified in New York County
Commission Expires ~~02/07/2009~~

UNOFFICIAL COPY

EXHIBIT A DESCRIPTION OF LAND

LOT 6 (EXCEPT THAT PART CONVEYED TO THE COUNTY OF COOK BY DEED RECORDED AS DOCUMENT 26337737) AND ALL OF LOT 7, IN BLOCK 238 OF CHICAGO HEIGHTS, A SUBDIVISION OF THAT PART OF THE SOUTHEAST ¼ OF SECTION 21, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF A LINE DRAWN PARALLEL TO AND 541 FEET WEST FROM THE EAST LINE OF SAID SECTION (EXCEPT THE SOUTH 729.40 FEET THEREOF), IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

PERMANENT TAX NOS.:

32-21-411-005-0000

32-21-411-006-0000

400 E. Lincoln Highway, Chicago Heights, IL
(Cook County)