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(Chicago)

This instrument prepared by
(and please return after
recording to):

Stephen A. Bernatt, Esquire
Stearns Weaver Miller Wainstar
Alhaduff & Sitterson, P.A.
Post Office Box 3299
Tampa, Florida 33601

DEPT OF RECORDING 431.50
15777 TRAN 8004 03/29/94 10:57:00
BOOK COUNTY RECORDER *94-279241

NOTE: this mortgage is granted pursuant to a Chapter 11 plan of reorganization under the Bankruptcy Code, and under 11 U.S.C. § 1148(c), no documentary stamp or transfer taxes or other taxes of any other kind are due on this mortgage.

MORTGAGE AND SECURITY AGREEMENT

THIS IS A MORTGAGE AND SECURITY AGREEMENT (the "Mortgage") made on the date it is executed, by and between:

I. **RAYMOND T. HYER, Jr.** and **GAC Kansas-Chicago-Springville, Inc.**, a Delaware corporation (collectively the "Mortgagor"), of c/o Gardner Asphalt Corporation, P.O. Box 5449, Tampa, Florida 33675-5449.

II. **JAMES G. KELLY**, the Reorganization Trustee under the Plan (as hereinafter defined), including any successor Reorganization Trustee (the "Reorganization Trustee"), of c/o Gardner Asphalt Corporation, P.O. Box 5449, Tampa, Florida 33675-5449.

RECITALS

A. Attached hereto as Exhibit "A" and by this reference made a part hereof, is a legal description of certain real property (the "Land").

B. The Land is owned by Mortgagor.

C. Reference is made to those certain proceedings filed with the United States Bankruptcy Court for the Southern District of Florida (the "Court") captioned In re Raymond T. Hyer, Jr., and In re Gardner Industries, Inc., et al., Case No: 92-20777-BKC-SMW and Consolidated Case Numbers 92-20779-BKC-SMW through 92-20791-BKC-SMW (the "Cases").

D. Incident to the Cases, there has been confirmed by the Court, by its Order Confirming Debtors' Plan of Reorganization dated March 11, 1993, that certain Second Amended Joint Plan of Reorganization as Modified dated March 11, 1993 (the "Plan").

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E. As described in the Plan, the Reorganized Company (as that term is defined in the Plan) has issued, contemporaneously with this Mortgage, the Gardner Fixed Payment Notes (as that term is defined in the Plan) and the Cash Flow Notes (as that term is defined in the Plan) (the Gardner Fixed Payment Notes and the Cash Flow Notes shall be referred to herein collectively as the "Gardner Obligations"). The amount of the Gardner Obligations is the original principal amount of Eight Million Dollars (\$8,000,000.00), plus interest.

F. The Land was included as subject matter of the Plan. Further, as more particularly described in the Plan, Hyer was to give as collateral security for the Gardner Obligations a lien upon the Land, and the purpose of this Mortgage is to provide such collateral security.

NOW, THEREFORE to secure the performance of the Gardner Obligations pursuant to the Plan, and in consideration of the sum of Ten and no/100 Dollars (\$10.00) and other good and valuable considerations, the receipt and adequacy of which is hereby acknowledged by Mortgagor, the Mortgagor does hereby mortgage, sell, pledge and assign to Reorganization Trustee:

THE MORTGAGED PROPERTY

(A) All of the Land; to have and to hold the same, together with all the improvements now or hereafter erected on such property and all fixtures now or hereafter attached thereto, together with each and every tenements, hereditaments, easements, rights, powers, privileges, immunities and appurtenances therunto belonging or in anywise appertaining and the reversion and reversions, remainder and remainders, and also all the estate, right, title, interest, homestead, right of dower, separate estate, property, possession and claim whatsoever in law as well as in equity of Mortgagor of, in and to the same in every part and parcel thereof unto Reorganization Trustee in fee simple.

(B) Together with a security interest in all personal property and fixtures affixed to or located on the property described in paragraph (A).

(C) Together with all rents, issues, profits, revenue, income and other benefits from the property described in paragraph (A) hereof to be applied to the indebtedness secured hereby, provided however, that permission is hereby given to Mortgagor so long as no default has occurred hereunder, to collect, receive, and use such benefits from the property as they become due and payable, but not in advance thereof.

(D) Everything referred to in paragraphs (A), (B) and (C) hereof and any additional property hereafter acquired by Mortgagor and subject to the lien of this Mortgage or any part of these properties is herein referred to as the "Mortgaged Property".

PROVIDED ALWAYS, that if the Gardner Obligations shall be fulfilled at the times and in the manner stipulated therein, then this Mortgage shall cease and be void, but shall otherwise remain in full force and effect.

Mortgagor covenants and agrees with Reorganization Trustee as follows:

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8. No Transfer. This Mortgage is given pursuant to the Plan, and therefore it is understood by Mortgagor that the Mortgaged Property can not be sold or transferred in any way. Therefore, Mortgagor covenants and agrees not to sell, convey, transfer, lease or further encumber any interest in or any part of the Mortgaged Property without the prior written consent of Reorganization Trustee, which consent Mortgagor understands may be withheld by Reorganization Trustee in Reorganization Trustee's sole and absolute discretion on the basis that Reorganization Trustee believes such actions would be contrary to the purposes and intent of the Plan. Any such sale, conveyance, transfer, lease or encumbrance made without Reorganization Trustee's prior written consent shall be void. If any person should obtain an interest in all or any part of the Mortgaged Property pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by Mortgagor and an event of default hereunder.

9. Release of this Mortgage. This Mortgage may be released or satisfied, in whole or in part, only upon the complete satisfaction of the Gardner Obligations, or upon such other terms and conditions as determined reasonable and appropriate by Reorganization Trustee, in Reorganization Trustee's sole and absolute discretion.

10. Subsequent Transfer to Trustee under Trust Indenture Act. Reference is made to that certain Disclosure Statement for the Second Amended Joint Plan of Reorganization Submitted by the Gardner Corporate Debtors, Raymond T. Hyer, Jr., and the Official Committee of Unsecured Creditors of the Gardner Corporate Debtors, as approved by the Court by its order dated January 15, 1993 (the "Disclosure Statement"). The Disclosure Statement is incorporated herein by this reference, and made a part hereof. As described in the Plan, and also in more detail in Section XIV of the Disclosure Statement, entitled Securities Laws and the Trust Indenture Act of 1939, it is contemplated that the promissory notes, or other evidences of indebtedness, that represent the Gardner Obligations, including any subsequent replacements of such instruments, will be subject to a trust indenture administered as described in Section XIV of the Disclosure Statement. Upon request of either the Reorganization Trustee or the TIA Trustee (as that term is defined in the Disclosure Statement), Mortgagor agrees to execute and deliver such instruments as are necessary to modify any of the terms of this Mortgage, as are determined necessary by the Reorganization Trustee or the TIA Trustee.


RAYMOND T. HYER, JR., individually and as
President of GAC Kansas-Chicago-Springville, Inc.,
a Delaware corporation, on behalf of the
corporation

Address: c/o Gardner Asphalt Corporation,
P.O. Box 5449, Tampa, Florida
33675-5449

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WITNESSES TO ABOVE SIGNATURE OF RAYMOND T. HYER, JR.:

D.A. Morrison

D. A. Morrison

(Print name of witness above)

Stephen A. Bennett

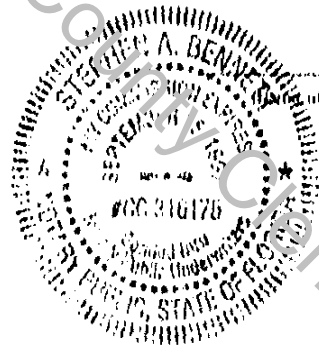
STEPHEN A. BENNETT

(Print name of witness above)

STATE OF FLORIDA
COUNTY OF HILLSBOROUGH

The foregoing instrument was acknowledged before me this 10 day of March, 1994, by RAYMOND T. HYER, JR., individually and as President of GAC Kansas-Chicago-Springville, Inc., a Delaware corporation, on behalf of the corporation, who is personally known to me or who has produced _____ as identification and who did not take an oath.

Stephen A. Bennett (SEAL)
Signature of person taking acknowledgment



(Print name of acknowledgee, typed, printed or stamped)
NOTARY PUBLIC

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EXHIBIT "A"

PARCEL ONE:

THAT PART OF THE WEST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 15, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: BEGINNING AT A POINT IN THE SOUTH LINE OF SAID SECTION 15, 315 FEET DISTANT MEASURED EASTWARDLY ALONG THE SOUTH LINE OF SAID SECTION 15 FROM THE WEST LINE THEREOF, THENCE NORTHWARDLY ON A STRAIGHT LINE PARALLEL TO THE WEST LINE OF SAID SECTION 15, A DISTANCE 413 FEET, THENCE NORTHEASTWARDLY ON A CURVED LINE, CONVEX TO THE NORTH WEST, WITH A RADIUS OF 300 FEET; TO A POINT 533 FEET DISTANT FROM THE SOUTH LINE OF SAID SECTION 15, MEASURED ALONG A LINE PARALLEL TO THE WEST LINE THEREOF AND 35 FEET DISTANT FROM THE WEST LINE OF SAID SECTION 15 MEASURED ALONG A LINE PARALLEL TO THE SOUTH LINE THEREOF; THENCE EASTWARDLY ON A STRAIGHT LINE PARALLEL TO THE SOUTH LINE OF SAID SECTION 15, A DISTANCE OF 70 FEET, THENCE SOUTHWARDLY ON A STRAIGHT LINE PARALLEL TO THE WEST LINE OF SAID SECTION 15, A DISTANCE OF 533 FEET TO A POINT IN THE SOUTH LINE THEREOF; THENCE WESTWARDLY ALONG THE SOUTH LINE OF SAID SECTION 15, 110 FEET TO THE POINT OF BEGINNING (EXCEPTING FROM THE ABOVE DESCRIBED PREMISES THAT PART THEREOF FALLING IN ROOSEVELT ROAD, IN COOK COUNTY, ILLINOIS.

PARCEL TWO:

THAT PART OF THE WEST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 15, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, SITUATE IN CITY OF CHICAGO, COOK COUNTY, ILLINOIS, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SOUTH WEST ONE QUARTER, 425 FEET EAST OF THE SOUTH WEST CORNER THEREOF; THENCE NORTH ALONG A LINE PARALLEL WITH THE LINE OF SAID SOUTH WEST ONE QUARTER, A DISTANCE OF 533 FEET; THENCE EAST ALONG A LINE PARALLEL WITH THE SOUTH LINE OF SAID SOUTH WEST ONE QUARTER, A DISTANCE OF 187.41 FEET TO A POINT, 612.41 FEET EAST OF THE WEST LINE OF SAID SOUTH WEST ONE QUARTER; THENCE SOUTH ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID SOUTH WEST ONE QUARTER, 533 FEET TO THE SOUTH LINE OF THE SOUTH WEST ONE QUARTER OF SAID SECTION; THENCE WEST ALONG THE SOUTH LINE OF SAID SOUTH WEST ONE QUARTER AND WITH THE CENTER LINE OF ROOSEVELT ROAD, 187.41 FEET TO THE POINT OF BEGINNING (EXCEPTING THEREFROM THE SOUTH 33 FEET THEREOF).

PROPERTY INDEX NUMBER: 16-15-323-006

COMMON PROPERTY ADDRESS: 4718-30 WEST ROOSEVELT ROAD, CHICAGO, ILLINOIS

94299004

JKP

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