

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of the earliest event reported)
May 13, 2010

COMPX INTERNATIONAL INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation)

1-13905
(Commission
File Number)

57-0981653
(IRS Employer
Identification No.)

5430 LBJ Freeway, Suite 1700, Dallas, Texas
(Address of principal executive offices)

75240-2697
(Zip Code)

Registrant's telephone number, including area code
(972) 448-1400

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

Pursuant to a Bill of Sale, Assignment and Assumption Agreement dated May 13, 2010 (the “*Bill of Sale*”) between the registrant and NL Industries, Inc., a New Jersey corporation that is a parent of the registrant (“*NL*”), and NL Environmental Management Services, Inc. (one of NL’s wholly-owned subsidiaries, and together with NL, the “*Sellers*”), on May 13, 2010, the registrant purchased (the “*Purchase*”) from the Sellers for \$15.0 million cash all of the Sellers’ right, title and interest in a subordinated secured mortgage note (the “*Mortgage Note*”) dated October 15, 2008 in the original principal amount of \$15.0 million that was executed by Sayreville Seaport Associates, L.P., a Delaware limited partnership (“*SSA*”), and originally payable to the Sellers, as well as all of the Sellers’ right title and interest in certain other documents related to the Mortgage Note.

Interest on the Mortgage Note is payable monthly, and the unpaid principal and all accrued and unpaid interest thereon is payable at maturity. The Mortgage Note has an initial maturity date of October 15, 2010, which under certain conditions can be extended one year to October 15, 2011.

Effective May 10, 2010, the registrant and certain of its wholly owned subsidiaries (CompX Security Products Inc., CompX Precision Slides Inc., CompX Marine Inc., Custom Marine Inc. and Livorsi Marine, Inc., collectively the “*Subsidiaries*”) entered into an amendment (the “*Fourth Amendment*”) to the registrant’s revolving \$37.5 million Credit Agreement dated as of the December 23, 2005 among the registrant, the Subsidiaries, Wells Fargo Bank, National Association, as successor-by-merger to Wachovia Bank National Association, and Comerica Bank, as amended by the First Amendment to Credit Agreement dated as of October 6, 2007, the Second Amendment to Credit Agreement dated as of January 15, 2009 and the Third Amendment to Credit Agreement dated as of September 21, 2009 (collectively as amended to date, the “*Credit Agreement*”). The Fourth Amendment allowed the registrant to complete the Purchase.

To complete the Purchase the registrant used \$10.0 million of its existing cash and \$5.0 million of borrowings under the Credit Agreement.

After receiving management’s recommendation regarding the Purchase, the registrant’s independent directors unanimously approved the Purchase.

The descriptions of the Bill of Sale and the Mortgage Note and related documents are qualified in their entirety by the terms of the Bill of Sale and the Mortgage Note and related documents, which are filed as Exhibits 10.1, 10.2, 10.3, 10.4, 10.5 and 10.11 to this current report and which terms are incorporated herein by reference.

The description of the Fourth Amendment is qualified in its entirety by the terms of the Fourth Amendment, which is filed as Exhibit 10.10 to this current report and which terms are incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Item No.</u>	<u>Exhibit Index</u>
10.1*	Mortgage Note, dated October 15, 2008 executed by Sayreville Seaport Associates, L.P. an payable to the order of NL Industries, Inc. and NL Environmental Management Services, Inc.
10.2*	Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing dated October 15, 2008 executed by Sayreville Seaport Associates, L.P. in favor of NL Industries, Inc. and NL Environmental Management Services, Inc.
10.3*	Intercreditor, Subordination and Standstill Agreement, dated October 15, 2008 executed by NL Industries, Inc., NL Environmental Management Services, Inc., Bank of America, N.A. on behalf of itself and the other financial institutions, and acknowledged and consented to by Sayreville Seaport Associates, L.P. and J. Brian O’Neill.
10.4*	Multi-Party Agreement dated October 15, 2008 among Sayreville Seaport Associates, L.P., Sayreville Seaport Associates Acquisition Company, LLC, OPG Participation, LLC, J. Brian O’Neill, NL Industries, Inc., NL Environmental Management Services, Inc., The Prudential Insurance Company of America and Sayreville PRISA II LLC.
10.5*	Guaranty Agreement dated October 15, 2008 executed by J. Brian O’Neill in favor of NL Industries, Inc. and NL Environmental Management Services, Inc.
10.6	Credit Agreement dated as of December 23, 2005 among CompX International Inc., Wachovia Bank, National Association, for itself and as administrative agent for Compass Bank and Comerica Bank - incorporated by reference to Exhibit 10.9 of the Annual Report on Form 10-K that the registrant (File No. 1-13905) filed on March 3, 2010.
10.7	First Amendment to Credit Agreement dated as of October 16, 2007 among CompX International Inc., CompX Security Products Inc., CompX Precision Slides Inc., CompX Marine Inc., Custom Marine Inc., Livorsi Marine Inc., Wachovia Bank, National Association for itself and as administrative agent for Compass Bank and Comerica Bank - incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K that the registrant (File No. 1-13905) filed on October 22, 2007.
10.8	Second Amendment to Credit Agreement dated as of January 15, 2009 among CompX International Inc., CompX Security Products Inc., CompX Precision Slides Inc., CompX Marine Inc., Custom Marine Inc., Livorsi Marine Inc., Wachovia Bank, National Association for itself and as administrative agent for Compass Bank and Comerica Bank - incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K that the registrant (File No. 1-13905) filed on January 21, 2009.

- 10.9 Third Amendment to Credit Agreement dated as of September 21, 2009 among CompX International Inc., CompX Security Products Inc., CompX Precision Slides Inc., CompX Marine Inc., Custom Marine Inc., Livorsi Marine Inc., Wachovia Bank, National Association and Comerica Bank - incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K that the registrant (File No. 1-13905) filed on September 24, 2009.
- 10.10* Fourth Amendment to Credit Agreement dated as of May 10, 2010 among CompX International Inc., CompX Security Products Inc., CompX Precision Slides Inc., CompX Marine Inc., Custom Marine Inc., Livorsi Marine Inc., Wells Fargo Bank, National Association, as successor-by-merger to Wachovia Bank, National Association and Comerica Bank.
- 10.11* Bill of Sale, Assignment and Assumption Agreement dated May 13, 2010 between the NL Industries, Inc., NL Environmental Management Services, Inc and CompX International Inc.

* Filed herewith.

In the agreements filed with this report, each party to each such agreement has made certain representations and warranties to the other parties to the agreement that have been negotiated by such parties. These representations and warranties are made only to and for the benefit of the respective other parties in the context of a business contract, are subject to contractual materiality standards and should not be relied upon by any other person, including but not limited to any security holder of the registrant, for any purposes, including without limitation the making of an investment decision regarding the registrant's securities. Exceptions to such representations and warranties may be partially or fully waived by such parties in their discretion.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CompX International Inc.
(Registrant)

By: /s/ A. Andrew R. Louis
A. Andrew R. Louis, Secretary

Date: May 19, 2010

INDEX TO EXHIBITS

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In the agreements filed with this report, each party to each such agreement has made certain representations and warranties to the other parties to the agreement that have been negotiated by such parties. These representations and warranties are made only to and for the benefit of the respective other parties in the context of a business contract, are subject to contractual materiality standards and should not be relied upon by any other person, including but not limited to any security holder of the registrant, for any purposes, including without limitation the making of an investment decision regarding the registrant's securities. Exceptions to such representations and warranties may be partially or fully waived by such parties in their discretion.

MORTGAGE NOTE

THIS MORTGAGE NOTE IS NON-NEGOTIABLE

\$15,000,000.00

October 15, 2008

FOR VALUE RECEIVED, SAYREVILLE SEAPORT ASSOCIATES, L.P., a Delaware limited partnership, ("Borrower") hereby promises to pay to the order of NL Industries, Inc., a New Jersey corporation ("NL Industries") and NL Environmental Management Services, Inc., a New Jersey corporation ("NL Environmental") together with NL Industries and any and all of their successors and assigns and/or any other holder of this Note, collectively, the "Lender", without offset, in immediately available funds in lawful money of the United States of America, at its offices 5430 LBJ Freeway, Suite 1700, Dallas, TX 75240, or at such other place or places as may hereafter be designated by Lender, the principal sum of FIFTEEN MILLION DOLLARS and No/100 Dollars (\$15,000,000.00) (or the unpaid balance of all principal advanced against this Note, if that amount is less), together with interest on the unpaid principal balance of this Note from day to day outstanding as hereinafter provided (the "Loan").

1. Payment Schedule and Maturity Date. Principal and interest shall be due and payable during the term of this Note as follows:

(a) Interest only on the outstanding principal balance of this Note shall be due and payable on the first day of November, 2008 and on the first day of each and every month thereafter to maturity, as the same may be extended as hereinafter more particularly set forth; and

(b) Unless the maturity of this Note shall be extended as hereinafter more particularly set forth in Section 2 hereof or unless sooner paid, this Note shall mature and the entire principal balance of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on October 10, 2010 (the "Maturity Date").

2. Extension or Modification of the Note.

(a) Upon the granting of the twelve (12) month extension option (the "Extension Option") under and pursuant to the terms of Section 2 of those certain Mortgage Notes (collectively, the "Bank Notes") in the aggregate amount of \$70,000,000.00, each of even date herewith, given by Borrower to each of Bank of America, N.A. ("Administrative Agent"), the Northern Trust Company ("Northern Trust") and The Provident Bank ("Provident" and Northern Trust together with the Administrative Agent, each individually a "Bank" and collectively, the "Banks"), the Maturity Date of this Note shall be automatically extended (without the necessity of any further documentation) for the same twelve (12) month period, expiring on October 10, 2011. Except as set forth in this Section 2(a), Lender shall have no obligation to otherwise extend the Maturity Date of this Note.

(b) Whether or not the extension becomes effective, Borrower shall pay all out-of-pocket costs and expenses incurred by Lender in connection with the proposed extension (pre- and post-closing), including, without limitation, reasonable legal fees, which shall be due and payable promptly upon written demand by Lender, and any failure to pay such amounts shall constitute a Default hereunder.

3. Security; Loan Documents. This Note is secured by, among other things, a Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing, dated of even date herewith, executed by Borrower in favor of Lender covering Borrower's leasehold interest in certain property in the Borough of Sayreville, Middlesex County, New Jersey as more particularly described therein (the "Property"), (such mortgage, as it may have been or may be amended, restated, modified or supplemented from time to time, is herein referred to as the "Mortgage"). This Note and all other documents now or hereafter evidencing, securing, guaranteeing or executed in connection with the Loan, as the same have been or may be amended, restated, modified or supplemented from time to time, are herein sometimes called individually a "Loan Document" and together the "Loan Documents." This Note is subject to the terms of that certain Intercreditor, Subordination and Standstill Agreement, of even date herewith, by and among Administrative Agent, on behalf of itself and the other Banks, Borrower and Lender (the "Intercreditor Agreement").

4. Interest Rate. (a) The unpaid principal balance of this Note from day to day outstanding which is not past due, shall bear interest at a fluctuating rate of interest per annum equal to the interest rate set forth in and as determined pursuant to the Bank Notes, as the same may be modified from time to time. Any and all modification of the Bank Notes regarding the determination of the interest rate shall be binding on Lender and Borrower with respect to this Note without the need for any further documentation.

(b) Any principal of, and to the extent permitted by applicable law, any interest on this Note, and any other sum payable hereunder, which is not paid when due (after the expiration of any applicable grace and/or cure period provided therefor) shall bear interest, from the date due and payable until paid, payable on demand, at a rate per annum (the "Past Due Rate") equal to four percent (4%) per annum in excess of the interest rate otherwise payable under this Note, including the period following entry of any judgment on or relating to this Note or the other Loan Documents. Interest on any such judgment shall accrue and be payable at the Past Due Rate, and not at the statutory rate of interest, after judgment, any execution thereon, and until actual receipt by Lender of payment in full of this Note and said judgment. Interest at the Past Due Rate shall be collectible as part of any judgment hereunder and shall be secured by the Mortgage and the other Loan Documents. The Past Due Rate shall apply to all sums outstanding under the Loan after a Default and also after entry of a judgment or judgments against Borrower (whether in a mortgage foreclosure action or otherwise). Said judgment(s) shall bear interest at the Past Due Rate until satisfied in full. Notwithstanding anything to the contrary in this Note, Borrower shall only be obligated to pay interest at the Past Due Rate if, as and when the Past Due Rate is charged by the Banks under the Bank Notes.

5. Prepayment. Except for interest payments as and when due under the Note, there shall be no prepayments of this Note. Notwithstanding the foregoing, if the Bank Notes are prepaid in whole, the Note shall be prepaid in whole as well.

6. Late Charges. If Borrower shall fail to make any payment under the terms of this Note within ten (10) days after the date such payment is due, Borrower shall pay to Lender on demand a late charge equal to four percent (4%) of such payment. Such ten (10) day period shall not be construed as in any way extending the due date of any payment. The "late charge" is imposed for the purpose of defraying the expenses incident to handling such delinquent payment. This charge shall be in addition to, and not in lieu of, any other remedy Lender may have and is in addition to any fees and charges of any agents or attorneys which Lender may employ upon the occurrence of a default hereunder, whether authorized herein or by law.

7. Certain Provisions Regarding Payments. All payments made as scheduled on this Note shall be applied, to the extent thereof, to late charges, to accrued but unpaid interest, unpaid principal, and any other sums due and unpaid to Lender under the Loan Documents, in such manner and order as Lender may elect in its sole discretion. All prepayments on this Note shall be applied, to the extent thereof, to accrued but unpaid interest on the amount prepaid, to the remaining principal installments, and any other sums due and unpaid to Lender under the Loan Documents, in such manner and order as Lender may elect in its sole discretion, including but not limited to application to principal installments in inverse order of maturity. Except to the extent that specific provisions are set forth in this Note or another Loan Document with respect to application of payments, all payments received by Lender with respect to the Loan shall be applied, to the extent thereof, to the indebtedness secured by the Mortgage in such manner and order as Lender may elect in its sole discretion, any instructions from Borrower or anyone else to the contrary notwithstanding. Remittances in payment of any part of the indebtedness other than in the required amount in immediately available U.S. funds shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Lender in immediately available U.S. funds and shall be made without offset, demand, counterclaim, deduction, or

recoupment (each of which is hereby waived) and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by the holder hereof of any payment in an amount less than the amount then due on any indebtedness shall be deemed an acceptance on account only, notwithstanding any notation on or accompanying such partial payment to the contrary, and shall not in any way excuse the existence of a Default.

8. Defaults. (a) It shall be a default ("Default") under this Note if (i) any principal, interest or other amount of money due under this Note is not paid in full within ten (10) days after the date as and when due, regardless of how such amount may have become due; (ii) any covenant, agreement or condition herein (other than one involving the payment of money) is not fully and timely performed, observed or kept and such failure remains uncured for more than thirty (30) days after written notice thereof shall have been sent by Lender to Borrower, unless the nature of the failure is such that (X) it cannot be cured within the thirty (30) day period, (Y) Borrower institutes corrective action within the thirty (30) day period, and (Z) Borrower diligently pursues such action until the failure is remedied and completes the cure thereof within a period of an additional thirty (30) days; (iii) there shall occur any default or event of default under the Mortgage (or any of the NL Loan Documents as defined in the Mortgage) which default or event of default remains uncured beyond any applicable grace and/or cure period provided therefor; (iv) there shall occur any "Default" under and as defined in any of the Bank Loan Documents (as such term is defined in the Intercreditor Agreement) which Default remains uncured beyond any applicable notice, grace and/or cure period provided for thereunder and Administrative Agent has exercised on behalf of itself and the other Banks any remedies provided for as a result thereof; (v) if Borrower or any partner of borrower (including without limitation J. Brian O'Neill) is declared bankrupt or files for bankruptcy protection or (vi) the death of J. Brian O'Neill. Upon the occurrence of a Default, which remains uncured, except as otherwise set forth herein or in the Intercreditor Agreement, Lender shall have the right to declare the unpaid principal balance and accrued but unpaid interest on this Note, and all other amounts due hereunder and under the other Loan Documents, at once due and payable (and upon such declaration, the same shall be at once due and payable), to foreclose any liens and security interests securing payment hereof and to exercise any of its or their other rights, powers and remedies under this Note, under any other Loan Document, or at law or in equity. Notwithstanding anything to the contrary contained herein, so long as any of the Bank Notes remain outstanding and until such time as all Indebtedness (as such term is defined under that certain Loan Agreement, dated as of even date herewith, by and among the Banks and Borrower) has been paid in full and satisfied, Lender shall not exercise any rights, remedies or powers hereunder and shall act only in accordance with the terms of the Intercreditor Agreement.

(b) All of the rights, remedies, powers and privileges (together, "Rights") of Lender provided for in this Note and in any other Loan Document are cumulative of each other and of any and all other Rights at law or in equity. The resort to any Right shall not prevent the concurrent or subsequent employment of any other appropriate Right. No single or partial exercise of any Right shall exhaust it, or preclude any other or further exercise thereof, and every Right may be exercised at any time and from time to time. No failure by Lender to exercise, nor delay in exercising any Right, including but not limited to the right to accelerate the maturity of this Note, shall be construed as a waiver of any Default or as a waiver of any Right. Without limiting the generality of the foregoing provisions, the acceptance by Lender from time to time of any payment under this Note which is past due or which is less than the payment in full of all amounts due and payable at the time of such payment, shall not (i) constitute a waiver of or impair or extinguish the right of Lender to accelerate the maturity of this Note or to exercise any other Right at the time or at any subsequent time, or nullify any prior exercise of any such Right, or (ii) constitute a waiver of the requirement of punctual payment and performance or a novation in any respect.

(c) If any holder of this Note retains an attorney in connection with any Default or at maturity or to collect, enforce or defend this Note or any other Loan Document in any lawsuit or in any probate, reorganization, bankruptcy, arbitration or other proceeding, or if Borrower sues any holder of this Note in connection with this Note or any other Loan Document and does not prevail, then Borrower agrees to pay to such holder, in addition to principal, interest and any other sums owing to Lender hereunder and under the other Loan Documents, all reasonable costs and expenses incurred by such holder in trying to collect this Note or in any such suit or proceeding, including, without limitation, reasonable attorneys' fees and expenses, investigation costs and all court costs, whether or not suit is filed hereon, whether before or after the maturity date of this Note, or whether in connection with bankruptcy, insolvency or appeal, or whether collection is made against Borrower or any guarantor or endorser or any other person primarily or secondarily liable hereunder.

9. Commercial Purpose. Borrower warrants that the Loan is being made solely to acquire or carry on a business or commercial enterprise, and/or Borrower is a business or commercial organization. Borrower further warrants that all of the proceeds of this Note shall be used for commercial purposes and stipulates that the Loan shall be construed for all purposes as a commercial loan, and is made for other than personal, family, household or agricultural purposes.

10. WAIVER OF JURY TRIAL. BORROWER AND LENDER HEREBY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH BORROWER AND LENDER MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO, THIS NOTE, THE MORTGAGE OR ANY OF THE OTHER LOAN DOCUMENTS. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTION OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS NOTE. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY BORROWER, AND BORROWER HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. BORROWER FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS NOTE AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

11. Intentionally Omitted.

12. Intentionally Omitted.

13. Successors and Assigns. The terms of this Note and of the other Loan Documents shall bind and inure to the benefit of the heirs, devisees, representatives, successors and assigns of the parties. The foregoing sentence shall not be construed to permit (a) Borrower to assign the Loan or (b) Lender, except as provided for under the Intercreditor Agreement, to assign, transfer, endorse, pledge or encumber this Note.

14. General Provisions. Time is of the essence with respect to Borrower's obligations under this Note. If more than one person or entity executes this Note as Borrower, all of said parties shall be jointly and severally liable for payment of the indebtedness evidenced hereby. Borrower and all sureties, endorsers, guarantors and any other party now or hereafter liable for the payment of this Note in whole or in part, hereby severally (a) waive demand, presentment for payment, notice of dishonor and of nonpayment, protest, notice of protest, notice of intent to accelerate, notice of acceleration and all other notices (except any notices which are specifically required by this Note or any other Loan Document or which are otherwise required by law and which are not waivable), filing of suit and diligence in collecting this Note or enforcing any of the security herefor; (b) agree to any substitution, subordination, exchange or release of any such security or the release of any party primarily or secondarily liable hereon; (c) agree that Lender shall not be required first to institute suit or exhaust its remedies hereon against Borrower or others liable or to become liable hereon or to perfect or enforce its rights against them or any security herefor; (d) consent to any extensions or postponements of time of payment of this Note for any period or periods of time and to any partial payments, before or after maturity, and to any other indulgences with respect hereto, without notice thereof to any of them; and (e) submit (and waive all rights to object) to non-exclusive personal jurisdiction of any state or federal court sitting in the State of New Jersey and venue in the city or county in which payment is to be made as specified in Section 1 of this Note, for the enforcement of any and all obligations under this Note and the Loan Documents; (f) waive the benefit of all homestead and similar exemptions as to this Note; (g) agree that their liability under this Note shall not be affected or impaired by any determination that any security interest or lien taken by Lender to secure this Note is invalid or unperfected; (h) waive all errors, defects and imperfections

whatsoever of a procedural nature in the entering of any judgment on this Note or any process or proceedings relating thereto; and (i) hereby subordinate any and all rights against Borrower and any of the security for the payment of this Note, whether by subrogation, agreement or otherwise, until this Note is paid in full. A determination that any provision of this Note is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Note to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances. Except as provided herein with respect to the amendment, modification or extension of the Bank Notes, this Note may not be amended except in a writing specifically intended for such purpose and executed by the party against whom enforcement of the amendment is sought. Lender is hereby authorized to disseminate any information it now has or hereafter obtain pertaining to the Loan, including, without limitation, any security for this Note and credit or other information on Borrower, any of its principals and any guarantor of this Note, to any actual or prospective assignee or participant with respect to the Loan, to any of Lender's affiliates and to any other parties as necessary or appropriate in Lender's reasonable judgment. Captions and headings in this Note are for convenience only and shall be disregarded in construing it. THIS NOTE, AND ITS VALIDITY, ENFORCEMENT AND INTERPRETATION, SHALL BE GOVERNED BY NEW JERSEY LAW (WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES) AND APPLICABLE UNITED STATES FEDERAL LAW.

15. Notices. Except as otherwise provided herein, all notices, and other communications required or which any party desires to give under this Note or any other Loan Document shall be in writing. Unless otherwise specifically provided in such other Loan Document, all such notices and other communications shall be deemed sufficiently given or furnished if delivered by personal delivery, by courier, by registered or certified United States mail, postage prepaid, or by facsimile (with a confirmatory duplicate copy sent by first class United States mail), addressed to the party to whom directed, at the addresses set forth herein (unless changed by similar notice in writing given by the particular party whose address is to be changed). Any such notice or communication shall be deemed to have been given and received either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile, upon receipt; provided, however, that service of a notice required by any applicable statute shall be considered complete when the requirements of that statute are met. Notwithstanding the foregoing, no notice of change of address shall be effective except upon actual receipt. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in any Loan Document or to require giving of notice or demand to or upon any person in any situation or for any reason.

Notice Address for Borrower:

c/o O'Neill Properties Group, L.P.
2701 Renaissance Boulevard, 4th Floor
King of Prussia, Pennsylvania 19406
Attn:
Fax No.:

with copy to:

c/o Macartney, Mitchell & Campbell, LLC
2701 Renaissance Boulevard, 4th Floor
King of Prussia, Pennsylvania 19406
Attn: Sean E. Mitchell, Esq.
Fax No. 215-754-4217

Notice Address for Lender:
NL Industries, Inc.
5430 LBJ Freeway
Suite 1700
Dallas, TX 75240
Attention: General Counsel

with a copy to:

Christopher R. Gibson, Esq.
Archer & Greiner, P.C.
One Centennial Square
Haddonfield, NJ 08033

16 No Usury. It is expressly stipulated and agreed to be the intent of Borrower and Lender at all times to comply with applicable state law or applicable United States federal law (to the extent that it permits Lender to contract for, charge, take, reserve, or receive a greater amount of interest than under state law) and that this Section shall control every other covenant and agreement in this Note and the other Loan Documents. If applicable state or federal law should at any time be judicially interpreted so as to render usurious any amount called for under this Note or under any of the other Loan Documents, or contracted for, charged, taken, reserved, or received with respect to the Loan, or if Lender's exercise of the option to accelerate the Maturity Date, or if any prepayment by Borrower results in Borrower having paid any interest in excess of that permitted by applicable law, then it is Lender's express intent that all excess amounts theretofore collected by Lender shall be credited on the principal balance of this Note and all other indebtedness and the provisions of this Note and the other Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible hereunder and thereunder reduced, without the necessity of the execution of any new documents, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder or thereunder. All sums paid or agreed to be paid to Lender for the use, forbearance, or detention of the Loan shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan until payment in full so that the rate or amount of interest on account of the Loan does not exceed the maximum lawful rate from time to time in effect and applicable to the Loan for so long as the Loan is outstanding.

THE LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES.

THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES.

SIGNATURE OF BORROWER ON FOLLOWING PAGE

IN WITNESS WHEREOF, Borrower has duly executed this Note under seal as of the date first above written.

WITNESS/ATTEST:

BORROWER:

SAYREVILLE SEAPORT ASSOCIATES, L.P.,
a Delaware limited partnership

By: Sayreville Seaport Associates Acquisition Company, LLC,
a Delaware limited liability company, its general partner

By: /s/ Jon Robinson
Name: Jon Robinson
Title: Vice President

(SEAL)

COMMONWEALTH OF PENNSYLVANIA, COUNTY OF Montgomery, TO WIT:

I HEREBY CERTIFY, that on this 15th day of October, 2008, before me, the undersigned Notary Public of said State, personally appeared Jon Robinson, who acknowledged himself to be the Vice President of Sayreville Seaport Associates Acquisition Company, LLC, a Delaware limited liability company and the general partner of Sayreville Seaport Associates, L.P., a Delaware limited partnership, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Vice President of said limited liability company by signing the name of the limited liability company by himself as Vice President.

WITNESS my hand and Notary Seal.

/s/ Harry A. Reichner
Harry A. Reichner, Notary Public

My Commission Expires: November 13, 2010

Prepared by and Return to:
Christopher R. Gibson, Esq.
Archer & Greiner, P.C.
One Centennial Square
Haddonfield, NJ 08033

**LEASEHOLD MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT
AND FIXTURE FILING**

by

SAYREVILLE SEAPORT ASSOCIATES, L.P.,
a Delaware limited partnership,
as Mortgagor,

to and in favor of

NL INDUSTRIES, INC. and NL ENVIRONMENTAL MANAGEMENT SERVICES, INC.,
as Mortgagee

This document serves as a Fixture Filing under the New Jersey Uniform Commercial Code, N.J.S.A. 12A:9-101, et seq.

Mortgagor's Organizational Identification Number 4450800

Location of Property

Borough: Sayreville
County: Middlesex County
State: New Jersey

Lots 1, 4, 5 and 6, Block 257.01
Lot 1, Block 257.02
Lot 1, Block 275.02
Lot 3.04, Block 257

**LEASEHOLD MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT
AND FIXTURE FILING**

THIS LEASEHOLD MORTGAGE, ASSIGNMENT, SECURITY AGREEMENT AND FIXTURE FILING (this "Mortgage") is made this 15th day of October, 2008, by SAYREVILLE SEAPORT ASSOCIATES, L.P., a Delaware limited partnership ("Mortgagor"), with its main office at c/o O'Neill Properties Group, L.P., 2701 Renaissance Boulevard, 4th Floor, King of Prussia, Pennsylvania 19406, in favor of NL INDUSTRIES, INC., a New Jersey corporation and NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., a New Jersey corporation, each with offices at 5430 LBJ Freeway, Suite 1700, Dallas, TX 75240 (collectively, "Mortgagee").

ARTICLE 1

Certain Definitions; Granting Clauses; Secured Indebtedness

Section 1.1. Principal Secured. This Mortgage secures a loan made by Mortgagee on the date hereof to Mortgagor in the principal amount of Fifteen Million and No/100 Dollars (\$15,000,000.00), plus such additional amounts as Mortgagee may from time to time advance pursuant to the terms and conditions of this Mortgage, with respect to an obligation secured by a lien or encumbrance prior to the lien of this Mortgage or for the protection of the lien of this Mortgage, together with interest thereon (the "NL Loan"). Without limiting the scope of the definition of Secured Indebtedness set forth in Section 1.5 hereof, this Mortgage secures accrued and unpaid interest and the unpaid balances of advances made by Mortgagee in accordance with the terms of this Mortgage for the payment of taxes, assessments, maintenance charges and insurance premiums with respect to the Property (as defined below), expenses incurred by Mortgagee for the protection of the Property or the lien of this Mortgage, expenses incurred by Mortgagee by reason of default by Mortgagor.

Section 1.2. Certain Definitions and Reference Terms. (a) In addition to other terms defined herein, each of the following terms shall have the meaning assigned to it, such definitions to be applicable equally to the singular and the plural forms of such terms and to all genders:

"Amended and Restated Agreement of Limited Partnership" shall have the meaning set forth in the Multi-Party Agreement.

"Bank Loan Agreement" means that certain Loan Agreement of even date herewith by and between Mortgagor, as borrower, and Bank of America, as Administrative Agent and on behalf of itself and on behalf of the other lenders party to the Bank Loan Agreement.

"Bank Loan" means that certain \$70,000,000.00 loan from Bank of America, as Administrative Agent and on behalf of itself and on behalf of the other lenders party to the Bank Loan Agreement.

"Bank Loan Documents" means the loan documents executed and delivered in connection with the Bank Loan.

"Bank Mortgage" means that certain first priority Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing of even date herewith securing the Bank Note and from Mortgagor to Bank of America, as Administrative Agent and on behalf of itself and on behalf of the other lenders party to the Bank Loan Agreement.

"Bank Note" means that certain Mortgage Note of even date herewith evidencing the Bank Loan from Mortgagor to Bank of America as Administrative Agent and on behalf of itself and on behalf of the other lenders party to the Bank Loan Agreement.

"C Parcels Easement" shall have the meaning set forth in the Settlement Agreement and Release.

"Ground Lease" That certain Ground Lease Agreement by and between Mortgagor and SERA.

"Intercreditor Agreement" shall mean that certain Intercreditor, Subordination and Standstill Agreement of even date herewith among Mortgagor, Mortgagee and Bank of America, as Administrative Agent on behalf of itself and on behalf of the other lenders party to the Bank Loan Agreement.

"Mortgagor" Sayreville Seaport Associates, L.P., a Delaware limited partnership, and its permitted successors and assigns.

"Multi-Party Agreement" shall mean that certain Multi-Party Agreement of even date herewith by and among Mortgagor, Sayreville Seaport Associates Acquisition Company, LLC, OPG Participation, LLC, J. Brian O'Neill, Mortgagee, Sayreville PRISA II LLC and The Prudential Insurance Company of America, an insurance company organized under the laws of the State of New Jersey acting solely on behalf of, for the benefit of, and with its liability limited to the assets of its insurance company separate account known as PRISA II, except as expressly provided in Section 18 of the Multi-Party Agreement.

"NL Loan" shall have the meaning set forth in Section 1.1.

"NL Loan Documents" shall have the meaning set forth in Section 1.5 hereof.

"NL Note" The Mortgage Note dated of even date herewith made by Mortgagor in favor of NL in the principal amount of \$15,000,000.00, bearing interest as therein provided, containing a provision for, among other things, the payment of reasonable attorneys' fees and all other notes given in substitution therefore or in modification, supplement, increase, renewal or extension thereof, in whole or in part, all as the same may be from time to time renewed, extended, supplemented, increased or modified and all other notes given in substitution therefore, or in modification, renewal or extension thereof, in whole or in part.

"Parcel B Easement" shall have the meaning set forth in the Settlement Agreement and Release.

"Property" shall have the meaning set forth in Section 1.3 hereof.

"Prudential" The Prudential Insurance Company of America, a New Jersey corporation.

"Redevelopment Agreement" shall have the meaning set forth in the Loan Agreement.

"Settlement Agreement and Release" shall mean that certain Reinstated and Amended Settlement and Release dated June 26, 2008 among Mortgagee, Mortgagor, the Sayreville Economic and Redevelopment Agency ("SERA") and the County of Middlesex, New Jersey (the "County"), as amended by that Amendment to Reinstated and Amended Settlement Agreement and Release dated as of September 25, 2008.

(b) Any term used or defined in the New Jersey Uniform Commercial Code, as in effect from time to time, and not defined in this Mortgage has the

meaning given to the term in the New Jersey Uniform Commercial Code, as in effect from time to time, when used in this Mortgage; provided, however, if a term is defined in Title 9 of the New Jersey Uniform Commercial Code differently than in another title of the New Jersey Uniform Commercial Code, the term has the meaning specified in Title 9.

Section 1.3. Property. In consideration of the provisions of this Mortgage and the sum of TEN DOLLARS (\$10.00) cash in hand paid and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Mortgagor, Mortgagor does hereby GRANT, BARGAIN, SELL, CONVEY, TRANSFER, ASSIGN and SET OVER to Mortgagee the following: Mortgagor's interest in the Ground Lease (together with all rights of Mortgagor thereunder), a memorandum which is intended to be file of record with the County Clerk for Middlesex County immediately prior to the recording of this Mortgage and the leasehold estate created thereby in and to the real property described in Exhibit A which is attached hereto and incorporated herein by reference (the "Land") together with Mortgagor's interest under the Ground Lease in and to: (i) any and all buildings, structures, improvements, alterations or appurtenances now or hereafter situated or to be situated on the Land (collectively the "Improvements"); and (ii) all right, title and interest of Mortgagor, now owned or hereafter acquired, in and to (1) all streets, roads, alleys, easements, rights-of-way, licenses, rights of ingress and egress, vehicle parking rights and public places, existing or proposed, abutting, adjacent, used in connection with or pertaining to the Land or the Improvements; (2) any strips or gores between the Land and abutting or adjacent properties; and (3) all water and water rights, timber, crops and mineral interests on or pertaining to the Land (the Land, Improvements and other rights, titles and interests referred to in this clause (a) being herein sometimes collectively called the "Premises"); (b) Mortgagor's interest under the Ground Lease in and to all fixtures, equipment, systems, machinery, furniture, furnishings, appliances, inventory, goods, building and construction materials, supplies, and articles of personal property, of every kind and character, tangible and intangible (including software embedded therein), now owned or hereafter acquired by Mortgagor, which are now or hereafter attached to or situated in, on or about the Land or the Improvements, or used in or necessary to the complete and proper planning, remediation, development, use, occupancy or operation thereof, or acquired (whether delivered to the Land or stored elsewhere) for use or installation in or on the Land or the Improvements, and all renewals and replacements of, substitutions for and additions to the foregoing (the properties referred to in this clause (b) being herein sometimes collectively called the "Accessories," all of which are hereby declared to be permanent accessions to the Land); (c) all of Mortgagor's right, title and interest, if any, in, under and to (i) any plans and specifications with respect to the redevelopment of the Premises; (ii) Mortgagor's rights, but not liability for any breach by Mortgagor, under all commitments (including any commitments for financing to pay any of the Secured Indebtedness, as defined below), insurance policies (or additional or supplemental coverage related thereto, including from an insurance provider meeting the requirements of the NL Loan Documents or from or through any state or federal government sponsored program or entity), contracts and agreements for the design, construction, operation or inspection of the Improvements and other contracts and general intangibles (including but not limited to payment intangibles, trademarks, trade names, goodwill, software and symbols) related to the Premises or the Accessories or the operation thereof; (iii) deposits and deposit accounts arising from or related to any transactions related to the Premises or the Accessories (including but not limited to Mortgagor's rights in tenants' security deposits, deposits with respect to utility services to the Premises, and any deposits or deposit accounts or reserves hereunder or under any other NL Loan Documents (hereinafter defined) for taxes, insurance or otherwise), rebates or refunds of impact fees or other taxes, assessments or charges, money, accounts, (including deposit accounts) instruments, documents, promissory notes and chattel paper (whether tangible or electronic) arising from or by virtue of any transactions related to the Premises or the Accessories (iv) permits, licenses, franchises, certificates, development rights, commitments and rights for utilities, and other rights and privileges obtained in connection with the Premises or the Accessories; (v) leases, rents, royalties, bonuses, issues, profits, revenues and other benefits of the Premises and the Accessories (without derogation of Article 3 hereof); (vi) as extracted collateral produced from or allocated to the Land including without limitation oil, gas and other hydrocarbons and other minerals and all products processed or obtained therefrom, and the proceeds thereof; and (vii) engineering, accounting, title, legal, and other technical or business data concerning the Property which are in the possession of Mortgagor or in which Mortgagor can otherwise grant a security interest; and (d) all (i) accounts and proceeds (cash or non-cash and including payment intangibles) of or arising from the properties, rights, titles and interests referred to above in this Section 1.3, including but not limited to proceeds of any sale, lease or other disposition thereof, proceeds of each policy of insurance (or additional or supplemental coverage related thereto, including from an insurance provider meeting the requirements of the NL Loan Documents or from or through any state or federal government sponsored program or entity) relating thereto (including premium refunds), proceeds of the taking thereof or of any rights appurtenant thereto, including change of grade of streets, curb cuts or other rights of access, by condemnation, eminent domain or transfer in lieu thereof for public or quasi-public use under any law, and proceeds arising out of any damage thereto; and (ii) all letter of credit rights (whether or not the letter of credit is evidenced by a writing) Mortgagor now has or hereafter acquires relating to the properties, rights, titles and interests referred to in this Section 1.3; (iii) all commercial tort claims Mortgagor now has or hereafter acquires relating to the properties, rights, titles and interests referred to in this Section 1.3; and (iv) other interests of every kind and character which Mortgagor now has or hereafter acquires in, to or for the benefit of the properties, rights, titles and interests referred to above in this Section 1.3 and all property used or useful in connection therewith, including but not limited to rights of ingress and egress and remainders, reversions and reversionary rights or interests; and if the estate of Mortgagor in any of the property referred to above in this Section 1.3 is a leasehold estate, this conveyance shall include, and the lien and security interest created hereby shall encumber and extend to, all other or additional title, estates, interests or rights which are now owned or may hereafter be acquired by Mortgagor in or to the property demised under the lease creating the leasehold estate; TO HAVE AND TO HOLD the foregoing rights, interests and properties, and all rights, estates, powers and privileges appurtenant thereto (herein collectively called the "Property"), unto Mortgagee, its successors and assigns, in trust, in fee simple forever, and to the terms, provisions and conditions herein set forth, to secure the obligations of Mortgagor under the NL Note and each of the other Loan Documents and all other indebtedness and matters defined as "Secured Indebtedness" in Section 1.5 of this Mortgage, subject and subordinate to the Bank Mortgage;

PROVIDED, HOWEVER, that if Mortgagor shall promptly pay or cause to be paid to Mortgagee with respect to the NL Loan the principal sum, including all additional advances and all other sums payable by Mortgagor to Mortgagee under the terms of the NL Loan Documents, and shall perform or cause to be performed all the other terms, conditions, agreements and provisions contained in each of the NL Loan Documents, all without fraud or delay or deduction or abatement of anything or for any reason, then this Mortgage and the estate hereby granted shall cease, terminate and become void and Mortgagee shall promptly deliver a mortgage satisfaction piece to Mortgagor in recordable form.

Nothing in this Mortgage shall modify, amend or waive any of Mortgagor and Mortgagee's rights and obligations under the Settlement Agreement and Release.

Section 1.4. Security Interest. Mortgagor hereby grants to Mortgagee a security interest in all of Mortgagor's interest in and to the Property which constitutes personal property or fixtures, all proceeds and products thereof, and all supporting obligations ancillary to or arising in any way in connection therewith (herein sometimes collectively called the "Collateral") to secure the obligations of Mortgagor under the NL Note and the other NL Loan Documents and all other indebtedness and matters defined as Secured Indebtedness in Section 1.5 of this Mortgage. In addition to its rights hereunder or otherwise, Mortgagee shall have all of the rights of a secured party under the New Jersey Uniform Commercial Code as in effect from time to time, or under the Uniform Commercial Code in force from time to time in any other state to the extent the same is applicable law.

Section 1.5. Secured Indebtedness, Notes, Loan Documents, Other Obligations. This Mortgage is made to secure and enforce the payment and performance of the following promissory note, obligations, indebtedness, duties and liabilities and all renewals, extensions, supplements, increases, and modifications thereof in whole or in part from time to time: (a) the NL Note and (b) all indebtedness, liabilities, duties, covenants, promises and other obligations whether joint or several, direct or indirect, fixed or contingent, liquidated or unliquidated, and the cost of collection of all such amounts, owed by Mortgagor to Mortgagee now or hereafter incurred or arising pursuant to or permitted by the provisions of the NL Note and this Mortgage, or any other document now or hereafter evidencing, governing, guaranteeing, securing or otherwise executed in connection with the NL Loan evidenced by the NL Note, including but not limited to any loan or credit agreement, letter of credit or reimbursement agreement, tri-party financing agreement, the Intercreditor Agreement, the Multi-Party Agreement, or among Mortgagor and Mortgagee pertaining to the repayment or use of the proceeds of the loan evidenced by the NL Note (the NL Note and this Mortgage as either of them may be from time to time renewed, extended, supplemented, increased or modified, being herein sometimes collectively called the "NL Loan Documents"). The indebtedness referred to in this Section 1.5 is hereinafter sometimes referred to as the "Secured Indebtedness" or the

"indebtedness secured hereby."

ARTICLE 2

Representations, Warranties and Covenants

Section 2.1. Mortgagor represents, warrants, and covenants as follows:

(a) Payment and Performance. Mortgagor will make due and punctual payment of the Secured Indebtedness or shall cause the same to be due and punctually paid. Mortgagor will timely and properly perform and comply with all of the covenants, agreements, and conditions imposed upon it by this Mortgage and will not permit a default to occur hereunder. Time shall be of the essence in this Mortgage.

(b) Title and Permitted Encumbrances. Mortgagor has, in Mortgagor's own right, and Mortgagor covenants to maintain, lawful, good and marketable title to its interest in the Ground Lease and the leasehold estate created thereby together with all other Property subject to this Mortgage. Mortgagor is lawfully seized and possessed of the Property and every part thereof, and has the right to convey its interest in the same, free and clear of all liens, charges, claims, security interests, and encumbrances except for (i) the Bank Mortgage; (ii) the matters, if any, set forth in Schedule B-II of the "marked-up" title commitment of Title Insurance Company No. _____ (last revised October 9, 2008), which are Permitted Encumbrances (as hereinafter defined) only to the extent the same are valid and subsisting and affect the Property, (iii) the liens and security interests evidenced by this Mortgage, (iv) the C Parcels Easement and the Parcel B Easement; (v) statutory liens for real estate taxes and assessments on the Property which are not yet due and payable without premium or penalty; (vi) other liens and security interests (if any) in favor of Mortgagee and (vii) SERA's fee interest in the Premises (the matters described in the foregoing clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) being herein called the "Permitted Encumbrances"). Mortgagor, and Mortgagor's successors and assigns, will warrant specially and forever defend title to the Property, subject as aforesaid, to Mortgagee and its successors and assigns, against the claims and demands of all persons claiming or to claim the same or any part thereof by, through or under Mortgagor. Mortgagor will punctually pay, perform, observe and keep all covenants, obligations and conditions in or pursuant to any Permitted Encumbrance and will not modify or permit modification of any Permitted Encumbrance without the prior written consent of Mortgagee. Inclusion of any matter as a Permitted Encumbrance does not constitute approval or waiver by Mortgagee of any existing or future violation or other breach thereof by Mortgagor, by the Property or otherwise. If any right or interest of Mortgagee in the Property or any part thereof shall be endangered or questioned or shall be attacked directly or indirectly, Mortgagee (whether or not named as a party to legal proceedings with respect thereto), is hereby authorized and empowered to take such steps as in its discretion may be proper for the defense of any such legal proceedings or the protection of such right or interest of Mortgagee, including but not limited to the employment of independent counsel, the prosecution or defense of litigation, and the compromise or discharge of adverse claims. All expenditures so made of every kind and character shall be a demand obligation (which obligation Mortgagor hereby promises to pay) owing by Mortgagor to Mortgagee, and Mortgagee shall be subrogated to all rights of the person receiving such payment.

(c) Taxes and Other Impositions. Mortgagor will pay, or cause to be paid, all taxes, assessments and other charges or levies imposed upon or against or with respect to the Property or the ownership, use, occupancy or enjoyment of any portion thereof, or any utility service thereto, as the same become due and payable without premium or penalty, including but not limited to all real estate taxes assessed against the Property or any part thereof, and shall deliver promptly to Mortgagee such evidence of the payment thereof as Mortgagee may require. Notwithstanding the foregoing, Mortgagor shall not be required to pay any such taxes, assessments, charges or other levies so long as Mortgagor shall in good faith, and at its cost and expense, contest the amount or validity thereof, or take other appropriate action with respect thereto, in good faith and in an appropriate manner or by appropriate proceedings; provided that (a) Mortgagor notifies Mortgagee in advance that Mortgagor intends to initiate such proceedings, (b) such proceedings operate to prevent the collection of, or other realization upon, the taxes, assessments, charges or other levies so contested, (c) there will be no sale, forfeiture or loss of the Property during the contest, (d) Mortgagee shall not be subjected to any claim, cost, liability or expense as a result thereof, and (e) Mortgagor provides assurances satisfactory to Mortgagee (including, without limitation, the establishment of an appropriate reserve account with Mortgagee) of its ability to pay such taxes, assessments, charges and other levies in the event Mortgagor is unsuccessful in its contest. Each such contest shall be promptly prosecuted to final conclusion or settlement, and Mortgagor shall indemnify and save Mortgagee harmless against all claims, cost, liability or expense as a result thereof or in connection therewith. Promptly after the settlement or conclusion of such contest or action, Mortgagor shall pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable, together with all penalties, fines, interests, costs and expenses in connection therewith.

(d) Insurance. Mortgagor shall obtain and maintain at Mortgagor's sole expense: (1) mortgagee title insurance issued to Mortgagee covering the Premises as required by Mortgagee, without exception for mechanics' liens; (2) property insurance with respect to all insurable Property, against loss or damage by fire, lightning, windstorm, explosion, hail, tornado and such additional hazards as are presently included in "Special Form" (also known as "all-risk") coverage and against any and all acts of terrorism and such other insurable hazards as Mortgagee may require, in an amount not less than 100% of the full replacement cost, including the cost of debris removal, without deduction for depreciation and sufficient to prevent Mortgagor and Mortgagee from becoming a coinsurer, such insurance to be in "builder's risk" completed value (non-reporting) form during and with respect to any construction on the Premises; (3) if and to the extent any portion of the Improvements are, under the Flood Disaster Protection Act of 1973 ("FDPA"), as it may be amended from time to time, in a Special Flood Hazard Area, within a Flood Zone designated A or V in a participating community, a flood insurance policy in an amount required by Mortgagee, but in no event less than the amount sufficient to meet the requirements of applicable law and the FDPA, as such requirements may from time to time be in effect; (4) general liability insurance, on an "occurrence" basis against claims for "personal injury" liability, including bodily injury, death or property damage liability, for the benefit of Mortgagor and Mortgagee as additional insured; (5) statutory workers' compensation insurance with respect to any work on or about the Premises (including employer's liability insurance, if required by Mortgagee) covering all the employees of Mortgagor and any contractor; (6) if there is a general contractor, commercial general liability insurance, including products and completed operations coverage, and in other respects similar to that described in clause 4 above, for the benefit of the general contractor as named insured and Mortgagor and Mortgagee, as additional insureds, in addition to statutory workers' compensation insurance with respect to any work on or about the Premises (including employee's liability insurance, if required by Mortgagee) covering all the employees of the general contractor and any contractor, and (7); such other insurance on the Property and endorsements as may from time to time be reasonably required by Mortgagee (including but not limited to soft cost coverage, automobile liability insurance, business interruption insurance or delayed rental insurance, boiler and machinery insurance, earthquake insurance, wind insurance, sinkhole coverage, and/or permit to occupy endorsement) and against other insurable hazards or casualties which at the time are commonly insured against in the case of premises similarly situated, due regard being given to the height, type, construction, location, use and occupancy of buildings and improvements. All insurance policies shall be issued and maintained by insurers, in amounts, with deductibles, limits and retentions, and, in forms satisfactory to Mortgagee, and shall require not less than ten (10) days' prior written notice to Mortgagee of any cancellation for nonpayment of premiums, and not less than thirty (30) days prior written notice to Mortgagee of any other cancellation or any changes of coverage. All insurance companies must be licensed to do business in the State of New Jersey and must have an A.M Best Company financial and performance rating of A-:IX or better. All insurance policies maintained, or caused to be maintained, by Mortgagor with respect to the Property, except for public liability insurance, shall provide that each such policy shall be primary without right of contribution from any other insurance that may be carried by Mortgagor or Mortgagee and that all of the provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured. If any insurer which has issued a policy of title, hazard, liability or other insurance required pursuant to this Mortgage or any other NL Loan Document becomes insolvent or the subject of any petition, case, proceeding or other action pursuant to any Debtor Relief Law, bankruptcy, receivership or similar proceeding or if in Mortgagee's reasonable opinion the financial responsibility of such insurer is or becomes inadequate, Mortgagor shall, in each instance promptly upon its discovery thereof or upon the request of Mortgagee therefor and at Mortgagor's expense, promptly obtain and deliver to Mortgagee a like policy (or, if and to the extent permitted by Mortgagee, a acceptable evidence of insurance) issued by another insurer, which insurer and policy meet the requirements of this Mortgage. Without limiting the discretion of Mortgagee with respect to required endorsements to insurance policies, all such policies for loss of or damage

to the Property shall contain a standard mortgagee clause (without contribution) naming Mortgagee as mortgagee with loss proceeds payable to Mortgagee notwithstanding (i) any act, failure to act or negligence of or violation of any warranty, declaration or condition contained in any such policy by any named or additional insured; (ii) the occupation or use of the Property for purposes more hazardous than permitted by the terms of any such policy; (iii) any foreclosure or other action by Mortgagee under the NL Loan Documents; or (iv) any change in title to or ownership of the Property or any portion thereof, such proceeds to be held for application as provided in the NL Loan Documents. A copy of a satisfactory certificate of insurance acceptable to Mortgagee shall be delivered to Mortgagee at the time of execution of this Mortgage, with all premiums fully paid current, and each renewal or substitute policy (or certificate of insurance) shall be delivered to Mortgagee, with all premiums fully paid current, at least ten (10) days before the termination of the policy it renews or replaces. Mortgagor shall pay all premiums on policies required hereunder as they become due and payable and promptly deliver to Mortgagee evidence satisfactory to Mortgagee of the timely payment thereof. If any loss occurs at any time when Mortgagor has failed to perform Mortgagor's covenants and agreements in this paragraph with respect to any insurance payable because of loss sustained to any part of the Property whether or not such insurance is required by Mortgagee, Mortgagee shall nevertheless be entitled to the benefit of all insurance covering the loss and held by or for Mortgagor, to the same extent as if it had been made payable to Mortgagee. Upon any foreclosure hereof or transfer of title to the Property in extinguishment of the whole or any part of the Secured Indebtedness, all of Mortgagor's right, title and interest in and to the insurance policies referred to in this Section (including unearned premiums) and all proceeds payable thereunder shall thereupon vest in the purchaser at foreclosure or other such transferee, to the extent permissible under such policies. Mortgagee shall have the right (but not the obligation) to make proof of loss for, settle and adjust any claim under, and receive the proceeds of, all insurance for loss of or damage to the Property, regardless of whether or not such insurance policies are required by Mortgagee, and the expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall be a part of the Secured Indebtedness and shall be due and payable to Mortgagee on demand. Mortgagee shall not be, under any circumstances, liable or responsible for failure to collect or exercise diligence in the collection of any of such proceeds or for the obtaining, maintaining or adequacy of any insurance or for failure to see to the proper application of any amount paid over to Mortgagor. Any such proceeds received by Mortgagee shall, after deduction therefrom of all reasonable expenses actually incurred by Mortgagee, including reasonable attorneys' fees, at Mortgagee's option be (1) released to Mortgagor, or (2) applied (upon compliance with such terms and conditions as may be required by Mortgagee) to repair or restoration, either partly or entirely, of the Property so damaged, or (3) applied to the payment of the Secured Indebtedness in such order and manner as Mortgagee (subject to the terms of the Intercreditor Agreement), in its sole discretion, may elect, whether or not due. In any event, the unpaid portion of the Secured Indebtedness shall remain in full force and effect and the payment thereof shall not be excused. Mortgagor shall at all times comply with the requirements of the insurance policies required hereunder and of the issuers of such policies and of any board of fire underwriters or similar body as applicable to or affecting the Property.

(e) Reserve for Insurance, Taxes and Assessments. Upon request of Mortgagee following the occurrence of any Default, to secure the payment and performance of the Secured Indebtedness, but not in lieu of such obligations, Mortgagor will deposit with Mortgagee a sum equal to real estate taxes, assessments and charges (which charges for the purpose of this paragraph shall include without limitation any recurring charge which could result in a lien against the Property) against the Property for the current year and the premiums for such policies of insurance for the current year, all as reasonably estimated by Mortgagee and prorated to the end of the calendar month following the month during which Mortgagee's request is made, and thereafter will deposit with Mortgagee, on each date when an installment of principal and/or interest is due on the Note, sufficient funds (as estimated from time to time by Mortgagee) to permit Mortgagee to pay at least fifteen (15) days prior to the date when penalties would accrue thereon, the next maturing real estate taxes, assessments and charges and premiums for such policies of insurance. Mortgagee shall have the right to rely upon tax information furnished by applicable taxing authorities in the payment of such taxes or assessments and shall have no obligation to make any protest of any such taxes or assessments. Any excess over the amounts required for such purposes shall be held by Mortgagee for future application to taxes and assessments or refunded to Mortgagor, at Mortgagee's option, and any deficiency in such funds so deposited shall be made up by Mortgagor upon demand of Mortgagee. All such funds so deposited shall bear no interest, may be commingled with the general funds of Mortgagee and shall be applied by Mortgagee toward the payment of such taxes, assessments, charges and premiums when statements therefor are presented to Mortgagee by Mortgagor (which statements shall be presented by Mortgagor to Mortgagee a reasonable time before the applicable amount is due); provided, however, that, if a Default shall have occurred hereunder, which remains uncured, such funds may at Mortgagee's option be applied to the payment of the Secured Indebtedness in the order determined by Mortgagee in its sole discretion, and that Mortgagee may (but shall have no obligation) at any time, in its discretion, apply all or any part of such funds toward the payment of any such taxes, assessments, charges or premiums which are past due, together with any penalties or late charges with respect thereto. The conveyance or transfer of Mortgagor's interest in the Property for any reason (including without limitation the foreclosure of a subordinate lien or security interest or a transfer by operation of law) shall constitute an assignment or transfer of Mortgagor's interest in and rights to such funds held by Mortgagee under this paragraph but subject to the rights of Mortgagee hereunder.

(f) Condemnation. Mortgagor shall notify Mortgagee immediately of any threatened or pending proceeding for condemnation affecting the Property or arising out of damage to the Property, and Mortgagor shall, at Mortgagor's expense, diligently prosecute any such proceedings. Mortgagee shall have the right (but not the obligation) to participate in any such proceeding and to be represented by counsel of its own choice. Mortgagee shall be entitled to receive all sums which may be awarded or become payable to Mortgagor for the condemnation of the Property, or any part thereof, for public or quasi-public use, or by virtue of private sale in lieu thereof, and any sums which may be awarded or become payable to Mortgagor for injury or damage to the Property. Mortgagor shall, promptly upon written request of Mortgagee, execute such additional assignments and other documents as may be necessary from time to time to permit such participation and to enable Mortgagee to collect and receipt for any such sums. All such sums are hereby assigned to Mortgagee, and shall, after deduction therefrom of all reasonable expenses actually incurred by Mortgagee, including reasonable attorneys' fees, at Mortgagee's option be (1) released to Mortgagor, or (2) applied (upon compliance with such reasonable terms and conditions as may be required by Mortgagee) to repair or restoration of the Property so affected, or (3) applied to the payment of the Secured Indebtedness in such order and manner as Mortgagee, in its sole discretion, may elect, whether or not due. In any event the unpaid portion of the Secured Indebtedness shall remain in full force and effect and the payment thereof shall not be excused. Mortgagee shall not be, under any circumstances, liable or responsible for failure to collect or to exercise diligence in the collection of any such sum or for failure to see to the proper application of any amount paid over to Mortgagor. Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from, any such award, judgment or decree. All reasonable costs and expenses (including but not limited to attorneys' fees) incurred by Mortgagee in connection with any condemnation shall be a demand obligation owing by Mortgagor (which Mortgagor hereby promises to pay) to Mortgagee pursuant to this Mortgage.

(g) Compliance with Legal Requirements. The Property and the use, operation and maintenance thereof and all activities thereon do and shall at all times comply with all applicable Legal Requirements (hereinafter defined). Mortgagor shall not, by act or omission, permit any building or other improvement not subject to the lien of this Mortgage to rely on the Property or any interest therein to fulfill any requirement of any Legal Requirement. No improvement upon or use of any part of the Property constitutes a nonconforming use under any zoning law or similar law or ordinance. Mortgagor has obtained and shall preserve in force all requisite zoning, utility, building, health, environmental and operating permits from the governmental authorities having jurisdiction over the Property.

If Mortgagor receives a written notice or claim from any person that the Property, or any use, activity, operation or maintenance thereof or thereon, is not in compliance with any Legal Requirement, Mortgagor will promptly furnish a copy of such notice or claim to Mortgagee. As of the date hereof, Mortgagor has received no notice and has no knowledge of any such noncompliance. As used in this Mortgage: (i) the term "Legal Requirement" means any Law (hereinafter defined), agreement, covenant, restriction, easement or condition (including, without limitation of the foregoing, any condition or requirement imposed by an insurance or surety company), as any of the same now exists or may be changed or amended or come into effect in the future, including, without limitation the Project Environmental Agreements; and (ii) the term "Law" means any federal, state or local law, statute, ordinance, code, rule, regulation, license, permit, authorization, decision, order, injunction or decree, domestic or foreign.

(h) Maintenance, Repair and Restoration. Mortgagor will keep the Improvements in first class order, repair, operating condition and appearance, causing all necessary repairs, renewals, replacements, additions and improvements to be promptly made, and will not allow any of the Property to

be misused, abused or wasted or to deteriorate. Notwithstanding the foregoing, Mortgagor will not, without the prior written consent of Mortgagee, (i) remove from the Property any fixtures or personal property covered by this Mortgage except such as is replaced by Mortgagor by an article of equal suitability and value, owned by Mortgagor, free and clear of any lien or security interest (except that created by this Mortgage), or (ii) make any structural alteration to the Property or any other alteration thereto which impairs the value thereof. If any act or occurrence of any kind or nature (including any condemnation or any casualty for which insurance was not obtained or obtainable) shall result in damage to or loss or destruction of the Property, Mortgagor shall give prompt notice thereof to Mortgagee and, to the extent insurance and/or condemnation proceeds (if any) shall be made available to Mortgagor for such purpose pursuant to the terms hereof, Mortgagor shall promptly, at Mortgagee's sole cost and expense, commence and continue diligently to completion to restore, repair, replace and rebuild the Property as nearly as possible to its value, condition and character immediately prior to the damage, loss or destruction.

(i) No Other Liens. Except for the Bank Mortgage and the Permitted Exceptions, Mortgagor will not, without the prior written consent of Mortgagee, create, place or permit to be created or placed, or through any act or failure to act, acquiesce in the placing of, or allow to remain, any mortgage, voluntary or involuntary lien, whether statutory, constitutional or contractual, security interest, encumbrance or charge, or conditional sale or other title retention document, against or covering the Property, or any part thereof, regardless of whether the same are expressly or otherwise subordinate to the lien or security interest created in this Mortgage, and should any of the foregoing become attached hereafter in any manner to any part of the Property without the prior written consent of Mortgagee, Mortgagor will cause the same to be promptly discharged and released. Subject to the terms of the Ground Lease, Mortgagor will own all parts of the Property and will not acquire any fixtures, equipment or other property (including software embedded therein) forming a part of the Property pursuant to a lease, license, security agreement or similar agreement, whereby any party has or may obtain the right to repossess or remove same, without the prior written consent of Mortgagee. If Mortgagee consents to the voluntary grant by Mortgagor of any mortgage, lien, security interest, or other encumbrance (hereinafter called "Subordinate Mortgage") covering any of the Property or if the foregoing prohibition is determined by a court of competent jurisdiction to be unenforceable as to a Subordinate Mortgage, any such Subordinate Mortgage shall contain express covenants to the effect that: (1) the Subordinate Mortgage is unconditionally subordinate to this Mortgage and all Leases (hereinafter defined); (2) if any action shall be instituted to foreclose or otherwise enforce the Subordinate Mortgage, no tenant of any of the Leases (hereinafter defined) shall be named as a party defendant, and no action shall be taken that would terminate any occupancy or tenancy without the prior written consent of Mortgagee; (3) Rents (hereinafter defined), if collected by or for the Mortgagee of the Subordinate Mortgage, shall be applied first to the payment of the Secured Indebtedness then due and expenses incurred in the ownership, operation and maintenance of the Property in such order as Mortgagee may determine, prior to being applied to any indebtedness secured by the Subordinate Mortgage; (4) written notice of default under the Subordinate Mortgage and written notice of the commencement of any action to foreclose or otherwise enforce the Subordinate Mortgage or to seek the appointment of a receiver for all or any part of the Property shall be given to Mortgagee with or immediately after the occurrence of any such default or commencement; and (5) neither the Mortgagee of the Subordinate Mortgage, nor any purchaser at foreclosure thereunder, nor anyone claiming by, through or under any of them shall succeed to any of Mortgagor's rights hereunder without the prior written consent of Mortgagee.

(j) Operation of Property. Mortgagor will operate the Property in a good and workmanlike manner and in accordance with all Legal Requirements and will pay all fees or charges of any kind in connection therewith. Upon the completion of the construction of improvements thereon, Mortgagor will keep the Property occupied so as not to impair the insurance carried thereon. Mortgagor will not use or occupy or conduct any activity on, or allow the use or occupancy of or the conduct of any activity on, the Property in any manner which violates any Legal Requirement or which constitutes a public or private nuisance or which makes void, voidable or cancelable, or increases the premium of, any insurance then in force with respect thereto. Mortgagor will not use or permit the use of the Property in such a manner which would result in such use becoming a nonconforming use under applicable zoning ordinances or other Legal Requirement. Mortgagor will not impose any easement (except utility easements executed by Mortgagor in connection with the development of the Property), restrictive covenant or encumbrance upon the Property (except for the Bank Mortgage and the Permitted Encumbrances), execute or file any subdivision plat or condominium declaration affecting the Property or consent to the annexation of the Property to any municipality, without the prior written consent of Mortgagee which consent shall not be unreasonably withheld, conditioned or delayed. Mortgagor will not do or suffer to be done any act whereby the value of any part of the Property may be lessened. Mortgagor will preserve, protect, renew, extend and retain all material rights and privileges granted for or applicable to the Property. Without the prior written consent of Mortgagee, there shall be no drilling or exploration for or extraction, removal or production of any mineral, hydrocarbon, gas, natural element, compound or substance (including sand and gravel) from the surface or subsurface of the Land regardless of the depth thereof or the method of mining or extraction thereof. Mortgagor will cause all debts and liabilities of any character (including without limitation all debts and liabilities for labor, material and equipment and all debts and charges for utilities servicing the Property) incurred in the construction, maintenance, operation and development of the Property to be promptly paid.

(k) Financial Matters. Mortgagor is solvent after giving effect to all borrowings contemplated by the Bank Loan Documents and the NL Loan Documents and no proceeding under any Debtor Relief Law (hereinafter defined) is pending (or to Mortgagee's knowledge threatened) by or against Mortgagor, of any Affiliate of Mortgagor as debtor. For the purposes of this paragraph, "Mortgagor" shall also include any person liable directly or indirectly for the Secured Indebtedness or any part thereof and any joint venturer, member or general partner of Mortgagor.

(l) Status of Mortgagor; Suits and Claims; NL Loan Documents. If Mortgagor is a corporation, partnership, limited liability company, or other legal entity, Mortgagor is and will continue to be (i) duly organized, validly existing and in good standing under the laws of its state of organization, (ii) authorized to do business in, and in good standing in the state in which the Property is located, and (iii) possessed of all requisite power and authority to carry on its business and to own and operate the Property. Each NL Loan Document executed by Mortgagor has been duly authorized, executed and delivered by Mortgagor, and the obligations thereunder and the performance thereof by Mortgagor in accordance with their terms are and will continue to be within Mortgagor's power and authority (without the necessity of joinder or consent of any other person), are not and will not be in contravention of any Legal Requirement (subject, however, to the effect upon enforceability of applicable bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and the exercise of judicial discretion in accordance with general principles of equity) or any other document or agreement to which Mortgagor or the Property is subject, and do not and will not result in the creation of any encumbrance against any assets or properties of Mortgagor, or any other person liable, directly or indirectly, for any of the Secured Indebtedness, except as expressly contemplated by the NL Loan Documents. There is no suit, action, claim, investigation, inquiry, proceeding or demand pending (or, to Mortgagee's knowledge, threatened) which affects the Property (including, without limitation, any which challenges or otherwise pertains to Mortgagor's title to the Property) or the validity, enforceability or priority of any of the NL Loan Documents. There is no judicial or administrative action, suit or proceeding pending (or, to Mortgagee's knowledge, threatened) against Mortgagor or against any other person liable directly or indirectly for the Secured Indebtedness, except as has been disclosed in writing to Mortgagee in connection with the NL Loan. The NL Loan Documents constitute legal, valid and binding obligations of Mortgagor enforceable in accordance with their terms, except as the enforceability thereof may be limited by Debtor Relief Laws (hereinafter defined) and except as the availability of certain remedies may be limited by general principles of equity. Mortgagor is not a "foreign person" within the meaning of the Internal Revenue Code of 1986, as amended, Sections 1445 and 7701 (i.e. Mortgagor is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate as those terms are defined therein and in any regulations promulgated thereunder). The loan evidenced by the Note was made solely to acquire or carry on a business or commercial enterprise, and is not for personal, family, household or agricultural purposes, and Mortgagor is a business or commercial organization. Mortgagor further warrants that the proceeds of the Notes shall be used for commercial purposes and stipulates that the loans evidenced by the Notes shall be construed for all purposes as commercial loans. Mortgagor will not cause or permit any change to be made in its name, identity, or corporate or partnership structure, unless Mortgagor shall have notified Mortgagee of such change prior to the effective date of such change, and shall have first taken all action required by Mortgagee for the purpose of further perfecting or protecting the lien and security interest of Mortgagee in the Property. Mortgagor's principal place of business and chief executive office, and the place where Mortgagor keeps its books and records concerning the Property, has for the preceding four months been and will continue to be (unless Mortgagor notifies Mortgagee of any change in writing prior to the date of such change) the address of Mortgagor set forth at the end of this Mortgage. Mortgagor's organizational identification number assigned by the state of incorporation or organization is correctly set forth on the first page of this Mortgage. Mortgagor shall promptly notify Mortgagee of any change of its organizational identification number.

(m) Further Assurances. Mortgagor will, promptly on request of Mortgagee, (i) correct any defect, error or omission which may be discovered in the contents, execution or acknowledgment of this Mortgage or any other NL Loan Document; (ii) execute, acknowledge, deliver, procure and record and/or file such further documents (including, without limitation, further mortgages, security agreements, financing statements, continuation statements, and assignments of rents or leases) and do such further acts as may be necessary or proper to carry out more effectively the purposes of this Mortgage and the other NL Loan Documents, to more fully identify and subject to the liens and security interests hereof any property intended to be covered hereby (including specifically, but without limitation, any renewals, additions, substitutions, replacements, or appurtenances to the Property) or as reasonably deemed advisable by Mortgagee to protect the lien or the security interest hereunder against the rights or interests of third persons; and (iii) provide such certificates, documents, reports, information, affidavits and other instruments and do such further acts as may be necessary, desirable or proper in the reasonable determination of Mortgagee to enable Mortgagee to comply with the requirements or requests of any agency having jurisdiction over Mortgagee or any examiners of such agencies with respect to the indebtedness secured hereby, Mortgagor or the Property. Mortgagor shall pay all costs connected with any of the foregoing, which shall be a demand obligation owing by Mortgagor (which Mortgagor hereby promises to pay) to Mortgagee pursuant to this Mortgage.

(n) Fees and Expenses. Without limitation of any other provision of this Mortgage or of any other NL Loan Documents and to the extent not prohibited by applicable law, Mortgagor will pay, and will reimburse to Mortgagee on demand to the extent paid by Mortgagee: (i) all appraisal fees, filing, registration and recording fees, recordation, transfer and other taxes, brokerage fees and commissions, abstract fees, title search or examination fees, title policy and endorsement premiums and fees, uniform commercial code search fees, judgment and tax lien search fees, escrow fees, reasonable attorneys' fees, architect fees, engineer fees, construction consultant fees, environmental inspection fees, survey fees, and all other out-of-pocket costs and expenses of every character reasonably incurred by Mortgagor or Mortgagee in connection with the preparation of the NL Loan Documents, the evaluation, closing and funding of the loans evidenced by the NL Loan Documents, and any and all amendments and supplements to this Mortgage or the NL Note or any approval, consent, waiver, release or other matter requested or required hereunder or thereunder, or otherwise attributable or chargeable to Mortgagor as lessee, and ultimately, owner of the Property; and (ii) all out of pocket costs and expenses, including reasonable attorneys' fees and expenses, incurred or expended in connection with the exercise of any right or remedy, or the defense of any right or remedy or the enforcement of any obligation of Mortgagor, hereunder or under any other NL Loan Document .

(o) Taxes on NL Note or Mortgage. Mortgagor will promptly pay all income, franchise and other taxes owing by Mortgagor and any stamp, documentary, recordation and transfer taxes or other taxes (excluding income taxes imposed upon the income of Mortgagee) (unless such payment by Mortgagor is prohibited by law) which may be required to be paid with respect to the NL Note, this Mortgage or any other instrument evidencing or securing any of the Secured Indebtedness. In the event of the enactment after this date of any law of any governmental entity applicable to Mortgagee, the NL Note, the Property or this Mortgage deducting from the value of property for the purpose of taxation any lien or security interest thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of deeds of trust or mortgages or security agreements or debts secured by deeds of trust or mortgages or security agreements or the interest of the mortgagee or secured party in the property covered thereby, or the manner of collection of such taxes, so as to affect this Mortgage or the Secured Indebtedness or Mortgagee, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes, assessments, charges or liens, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (i) it might be unlawful to require Mortgagor to make such payment or (ii) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the Secured Indebtedness to be and become due and payable ninety (90) days from the giving of such notice.

(p) Statement Concerning Mortgage, Etc. Mortgagor shall at any time and from time to time furnish within fifteen (15) days of written request by Mortgagee a written statement in such form as may be required by Mortgagee stating that to the best of the Mortgagor's knowledge (i) this Mortgage and the other NL Loan Documents executed by Mortgagor are valid and binding obligations of Mortgagor, enforceable against Mortgagor in accordance with their terms; (ii) this Mortgage and the other NL Loan Documents have not been released, subordinated or modified; and (iii) there are no offsets or defenses against the enforcement of this Mortgage or any other NL Loan Document. If any of the foregoing statements are untrue, Mortgagor shall, alternatively, specify the reasons therefor.

(q) Covenants, Representation and Warranties Concerning the Ground Lease. Mortgagor covenants, represents and warrants that:

(i) The Ground Lease or a memorandum thereof has been duly recorded. The Ground Lease is in full force and effect in accordance with the terms thereof and has not been modified. There are no existing defaults by any party to the Ground Lease thereunder (or events which would constitute a default but for the giving of notice and/or the passage of time). Mortgagor is the owner of the leasehold estate created by the Ground Lease and has the right and authority to mortgage the same to Mortgagee hereunder without the need to obtain the consent of any person, including SERA or, if needed, such consent has been obtained. In the event that Mortgagee acquires title to Mortgagor's interest in the Ground Lease, by foreclosure or assignment in lieu or under a new lease, Mortgagee may assign the Ground Lease (or such new lease, as applicable) and shall be released from all liability under the Ground Lease (or a new lease, as applicable), from and after the date Mortgagee provides the ground lessor under the Ground Lease with a copy of an agreement executed by the assignee wherein such assignee agrees to assume all of the obligations of the Mortgagee under the Ground Lease.

(ii) Mortgagor shall not surrender the leasehold estate created under the Ground Lease or its interest herein described, nor terminate or cancel the Ground Lease, and will not without the express written consent of Mortgagee modify, change, supplement, alter or amend the Ground Lease either orally or in writing, in any way, and as further security for the performance of the covenants herein and in the Ground Lease contained, Mortgagor hereby assigns to Mortgagee all of its rights, privileges and prerogatives as under the Ground Lease to terminate, cancel, modify, change, supplement, alter or amend the Ground Lease, in any way any. Mortgagor acknowledges and agrees that any termination, cancellation, modification, change, supplement, alteration or amendment of the Ground Lease, in any way, without the prior written consent thereto by Mortgagee shall be void and of no force and effect. Mortgagor shall furnish to Mortgagee, simultaneously with the giving thereof as hereinafter provided in this sentence, copies of any notices of default by the ground lessor under the Ground Lease which Mortgagor may give SERA or any ground lessor thereunder. Mortgagor covenants with Mortgagee that it shall observe and perform each and every term, covenant, agreement and condition set forth in the Ground Lease to be observed and/or performed by Mortgagor, as tenant thereunder. Mortgagee shall have the right to declare the occurrence of a Default under this Mortgage in the event of a default in or breach of the performance by Mortgagor under the Ground Lease, of any of the terms, covenants, or conditions contained in the Ground Lease.

(iii) If there shall be filed by or against the Mortgagor a petition under the Bankruptcy Code, 11 U.S.C. §101 et seq., and the Mortgagor, as lessee under the Ground Lease, shall determine to reject the Ground Lease pursuant to Section 365(a) of the Bankruptcy Code, the Mortgagor shall give the Mortgagee not less than ten (10) ten days' prior notice of the date on which the Mortgagor shall apply to the bankruptcy court for authority to reject the Ground Lease. The Mortgagee shall have the right, but not the obligation, to serve upon the Mortgagor within such ten (10) day period a notice stating that (A) the Mortgagee demands that the Mortgagor assume and assign the Ground Lease to the Mortgagee pursuant to Section 365 of the Bankruptcy Code and (B) the Mortgagee may, in its discretion and if deemed prudent by the Mortgagee, cure or provide adequate assurance of prompt cure of all defaults and provide adequate assurance of future performance under the Ground Lease. If the Mortgagee serves upon the Mortgagor the notice described in the preceding sentence, the Mortgagor shall not seek to reject the Ground Lease and shall comply with the demand provided for in clause (A) of the preceding sentence within 30 days after the notice shall have been given.

(iv) No release or forbearance of any of Mortgagor's obligations under the Ground Lease, pursuant to the Ground Lease or otherwise, shall release Mortgagor from any of the Mortgagor's obligations under this Mortgage, including obligations with respect to the payment of rent if provided

for in the Ground Lease and the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Ground Lease, to be kept, performed and complied with by the tenant therein.

(v) Mortgagor will at all times fully perform and comply with all agreements, covenants, terms and conditions imposed upon or assumed by the tenant under the Ground Lease, and if Mortgagor shall fail so to do, Mortgagee may (but shall not be obligated to) take any action Mortgagee deems necessary or desirable to prevent or to cure any default by Mortgagor in the performance of or compliance with any of the tenant's covenants or obligations under the Ground Lease. Mortgagor shall furnish to Mortgagee immediately upon receipt thereof copies of any notices of default under the Ground Lease received by Mortgagor from the ground lessor under the Ground Lease, whether or not the ground lessor is required under the Ground Lease to give any such notices to Mortgagee, and if any such notices are given to them orally by the ground lessor, Mortgagor shall immediately furnish full particulars thereof to Mortgagee in writing. Upon receipt by Mortgagee from the ground lessor under the Ground Lease, or upon receipt from Mortgagor, as aforesaid, of any such notice of default under the Ground Lease, Mortgagee may rely thereon and may, but in no case is obligated to, take any action to cure such default even though the existence or nature of such default shall be questioned or denied by Mortgagor, or by any party on behalf of Mortgagor. Mortgagor hereby expressly grants to Mortgagee and agrees that Mortgagee shall have absolute and immediate right to enter in and upon the Premises or any part thereof to such extent and as often as Mortgagee, in its sole discretion, deems necessary or desirable in order to prevent or to cure any such default by Mortgagor. Mortgagor may pay and extend such sums of money as Mortgagee in its sole discretion deems necessary for any such purpose, and Mortgagor hereby agrees to pay to Mortgagee, immediately and without demand, all such sums so paid and expended by Mortgagee, together with interest thereon from the date of each such payment at the Past Due Rate (as such term is defined in the NL Note). All sums so paid and expended by Mortgagee, and the interest thereon, shall be added to and be secured by the lien of this Mortgage.

(vi) Mortgagor shall furnish to Mortgagee, immediately upon request, any and all information concerning the performance by Mortgagor of its obligations under the Ground Lease, and shall permit Mortgagee or its agent at all reasonable times to make investigation or examination concerning such performance and information. Mortgagor will promptly deposit with Mortgagee (to be held by Mortgagee at its option until the lien of this Mortgage shall be released) any and all documentary evidence received by it showing compliance with the provisions of the Ground Lease and an exact copy of any notice, communication, plan, specification or other instrument or document received or given by it in any way relating to or affecting the Ground Lease which may concern or affect the estate of the ground lessor or tenant under the Ground Lease or the interest of Mortgagee hereunder. In furtherance of, and without limiting the foregoing, Mortgagor shall provide Mortgagee with a contemporaneous exact copy of all written communications sent to or received from the ground lessor under the Ground Lease and shall give Mortgagee an immediate written explanation of all oral communications sent to or received from the ground lessor under the Ground Lease of a material nature or which involves a claimed breach or default under the Ground Lease by either ground lessor or the Mortgagor. Mortgagor will take all reasonable steps, including legal proceedings, to protect its own right, title and interest in any of the Property and to enable Mortgagee to defend its interest therein. Without limitation, if any action, proceeding, motion or notice shall be commenced or filed in respect to the Ground Lease or the Property in connection with any case under the Bankruptcy Code, 11 U.S.C. §101 et seq., Mortgagee shall have the option, to the exclusion of Mortgagor, exercisable upon notice from Mortgagee to Mortgagor, to conduct and control any such litigation with counsel of Mortgagee's choice, but Mortgagee shall consult with and advise Mortgagor, from time to time of the progress of any such litigation. Mortgagee may proceed in its own name or in the name of Mortgagor in connection with any such litigation, and Mortgagor agrees to execute any and all powers, authorizations, consents and other documents required by the Mortgagee in connection therewith. Mortgagor shall, upon demand, pay to Mortgagee all costs and expenses (including reasonable attorneys' fees) paid or incurred by Mortgagee in connection with the prosecution or conduct of any such proceedings. Any such costs or expenses not paid by Mortgagor as aforesaid shall be secured by the lien of this Mortgage and shall be added to the principal amount of the indebtedness secured hereby. Mortgagor shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Ground Lease in any such case under Debtor Relief Laws (as such term is defined in the Loan Agreement) without the prior written consent of Mortgagee.

(vii) The lien of this Mortgage shall attach to all of Mortgagor's rights and remedies at any time arising under or pursuant to subsection 365(h) of the Bankruptcy Code, 11 U.S.C. §365(h), including, without limitation, all of Mortgagor's rights to remain in possession of the Premises thereunder. Mortgagor shall not, without Mortgagee's prior written consent, elect to treat the Ground Lease as terminated under subsection 365(h)(1) of the Bankruptcy Code, 11 U.S.C. §365(h)(1), and any such election made without Mortgagee's prior written consent shall be void.

(ix) Mortgagor hereby unconditionally assigns, transfers and sets over to Mortgagee all of its claims and rights to the payment of damages arising from any rejection by the ground lessor of the Ground Lease under the Bankruptcy Code, 11 U.S.C. §101 *et seq.* Mortgagee shall have the right to proceed in its own name or in the name of Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of the Ground Lease, including, without limitation, the right to file and prosecute, to the exclusion of Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the ground lessor under any Debtor Relief Laws. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until all of the indebtedness and obligations secured by this Mortgage shall have been satisfied and discharged in full.

(x) Unless Mortgagee shall otherwise expressly consent in writing, the fee title to the property demised by the Ground Lease and the leasehold estate shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates either in the ground lessor or the Mortgagor or in a third party by purchase or otherwise.

(xi) Mortgagor hereby represents and warrants each of the following with respect to the Ground Lease:

(A) The Ground Lease requires the ground lessor under the Ground Lease to give notice of any default by the Mortgagor to the Mortgagee; or the Ground Lease, or an estoppel letter received by the Mortgagee from the ground lessor under the Ground Lease and further provides that notice of termination given under the Ground Lease is not effective against the Mortgagee unless a copy of the notice has been delivered to the Mortgagee in the manner described in the Ground Lease.

(B) The Ground Lease or an estoppel letter received by the Mortgagee from the ground lessor under the Ground Lease, provides Mortgagee a reasonable opportunity (including, where necessary, sufficient time to gain possession of the interest of the Mortgagee under the Ground Lease) to cure any default under the Ground Lease that is curable, after the receipt of notice of any the default, before the ground lessor may terminate the Ground Lease.

(C) The Ground Lease has a term that extends not less than twenty (20) years beyond the maturity date of the Loan.

(D) The Ground Lease requires the ground lessor to enter into a new lease with the Mortgagee upon termination of the Ground Lease for any reason, including rejection of the Ground Lease in any bankruptcy proceeding, provided that the Mortgagee cures any defaults that are susceptible to being cured by the Mortgagee.

(E) The Ground Lease required that within ten (10) days after written notice by Mortgagor or Mortgagee, the ground lessor under the Ground Lease shall execute, acknowledge and deliver to Mortgagee, a statement in writing certifying that the Ground Lease is unmodified and in full force and effect, setting for the dates to which the rent and other charges payable by Mortgagor have been paid, and the amount thereof, whether the ground lessor under the Ground Lease has knowledge of any existing default by Mortgagor or notice of default served by ground lessor upon Mortgagor and stating the nature of any such defaults, and any other information the Mortgagee may reasonably request.

(F) The Ground Lease expressly acknowledges that the Mortgagee will be named as a first mortgagee on the Mortgagor's casualty insurance policy and as an additional insured on Mortgagor's general liability insurance.

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(G) The Ground Lease does not impose restrictions on subletting that would be viewed as commercially unreasonable by a prudent commercial mortgage lender.

(H) The Ground Lease provides that no amendments, changes, cancellations, alterations, surrender, or modifications may be made to the Ground Lease without the consent of the Mortgagee.

(xii) In the event that the ground lessor's interest and estate in, to or under the Ground Lease or the Premises is held or owned by the same person or entity which holds or owns the Mortgagor's interest and estate in, to or under the Ground Lease or the Premises, the lien, right, title and interest under and pursuant to this Mortgage shall at the election of Mortgagee, evidenced by the filing of a recorded instrument stating the same, automatically, without any further documentation, extend to and shall be spread to and over the fee simple estate in and to the Premises and shall be and constitute a fee simple mortgage.

(r) Indemnification.

(i) Mortgagor will indemnify and hold harmless Mortgagee from and against, and reimburse Mortgagee on demand for, any and all Indemnified Matters (hereinafter defined). For purposes of this paragraph (r), the term "Mortgagee" shall include the directors, officers, partners, employees and agents of Mortgagee and any persons owned or controlled by, owning or controlling, or under common control or affiliated with Mortgagee. Without limitation, the forgoing indemnities shall apply to each indemnified person with respect to matters which in whole or in part are caused by or arise out of the negligence of such (and/or any other) indemnified person. Any amount to be paid under this paragraph (r) by Mortgagor to Mortgagee shall be a demand obligation owing by Mortgagor (which Mortgagor hereby promises to pay) to Mortgagee pursuant to this Mortgage. Nothing in this paragraph, elsewhere in this Mortgage or in the Note shall limit or impair any rights or remedies of Mortgagee (including without limitation any rights of contribution or indemnification) against Mortgagor or any other person under any other provision of this Mortgage or the Note.

(ii) As used herein, the term "Indemnified Matters" means any and all claims, demands, liabilities (including strict liability), losses, damages (including consequential damages), causes of action, judgments, penalties, fines, costs and expenses (including without limitation, reasonable fees and expenses of attorneys and other professional consultants and experts, and of the investigation and defense of any claim, whether or not such claim is ultimately defeated, and the settlement of any claim or judgment including all value paid or given in settlement) of every kind, known or unknown, foreseeable or unforeseeable, which may be imposed upon, asserted against or incurred or paid by Mortgagee at any time and from time to time, whenever imposed, asserted or incurred, because of, resulting from, in connection with, or arising out of any transaction, act, omission, event or circumstance in any way connected with the Property or with this Mortgage or the Note, including but not limited to any bodily injury or death or property damage occurring in or upon or in the vicinity of the Property through any cause whatsoever at any time on or before the Release Date (hereinafter defined) any act performed or omitted to be performed hereunder or under any the Note, any breach by Mortgagor of any representation, warranty, covenant, agreement or condition contained in this Mortgage or in the Note, any default as defined herein, any claim under or with respect to any Lease (hereinafter defined). The term "Release Date" as used herein means the earlier of the following two dates: (i) the date on which the indebtedness and obligations secured hereby have been paid and performed in full and this Mortgage has been released or satisfied of record, or (ii) the date on which the lien of this Mortgage is fully and finally foreclosed or a conveyance by deed in lieu of such foreclosure is fully and finally effective, and possession of the Property has been given to the purchaser or grantee free of occupancy and claims to occupancy by Mortgagor and Mortgagor's heirs, devisees, representatives, successors and assigns; provided, that if such payment, performance, release, foreclosure or conveyance is challenged, in bankruptcy proceedings or otherwise, the Release Date shall be deemed not to have occurred until such challenge is rejected, dismissed or withdrawn with prejudice. The indemnities in this paragraph (r) shall not terminate upon the Release Date or upon the release, satisfaction, foreclosure or other termination of this Mortgage but will survive the Release Date, foreclosure of this Mortgage or conveyance in lieu of foreclosure, the repayment of the Secured Indebtedness, the discharge and satisfaction or release of this Mortgage and the Note, any bankruptcy or other debtor relief proceeding, and any other event whatsoever. Notwithstanding the foregoing the indemnities in the paragraph (r) shall terminate and be of no further force or effect in the event that no claim for Indemnified Matters shall be asserted, or action therefor instituted, prior to the expiration of the statutory period of limitations under applicable Law following the Release Date.

Section 2.2. Performance by Mortgagee on Mortgagor's Behalf. Mortgagor agrees that, if Mortgagor fails, after the expiration of any applicable grace and/or cure period, to perform any act or to take any action which under any NL Loan Document Mortgagor is required to perform or take, or to pay any money which under any NL Loan Document Mortgagor is required to pay, and whether or not the failure then constitutes a default hereunder or thereunder, and whether or not there has occurred any default or defaults hereunder or the Secured Indebtedness has been accelerated, Mortgagee, in Mortgagor's name or its own name, may, but shall not be obligated to, after reasonable written notice to Mortgagor under the circumstances, perform or cause to be performed such act or take such action or pay such money, and any expenses so incurred by Mortgagee, with interest thereon at the Past Due Rate set forth in the NL Note, and any money so paid by Mortgagee shall be a demand obligation owing by Mortgagor to Mortgagee (which obligation Mortgagor hereby promises to pay), shall be a part of the indebtedness secured hereby, and Mortgagee, upon making such payment, shall be subrogated to all of the rights of the person, entity or body politic receiving such payment. Mortgagee and its designees shall have the right to enter upon the Property at any time and from time to time, after reasonable notice to Mortgagor, for any such purposes. No such payment or performance by Mortgagee shall waive or cure any default or waive any right, remedy or recourse of Mortgagee. Any such payment may be made by Mortgagee in reliance on any statement, invoice or claim without inquiry into the validity or accuracy thereof. Each amount due and owing by Mortgagor to Mortgagee pursuant to this Mortgage shall bear interest, from the date such amount becomes due until paid, at the Past Due Rate but never in excess of the maximum nonusurious amount permitted by applicable law, which interest shall be payable to Mortgagee on demand; and all such amounts, together with such interest thereon, shall automatically and without notice be a part of the indebtedness secured hereby. The amount and nature of any expense by Mortgagee hereunder and the time when paid shall be fully established by the certificate of Mortgagee or any of Mortgagee's officers or agents.

Section 2.3. Absence of Obligations of Mortgagee with Respect to Property. Notwithstanding anything in this Mortgage to the contrary, including, without limitation, the definition of "Property" and/or the provisions of Article 3 hereof, (i) to the extent permitted by applicable law, the Property is composed of Mortgagor's rights, title and interests therein but not Mortgagor's obligations, duties or liabilities pertaining thereto, (ii) Mortgagee neither assumes nor shall have any obligations, duties or liabilities in connection with any portion of the items described in the definition of "Property" herein, either prior to or after obtaining title to such Property, whether by foreclosure sale, the granting of a deed in lieu of foreclosure or otherwise, and (iii) Mortgagee may, at any time prior to or after the acquisition of title to any portion of the Property as above described, advise any party in writing as to the extent of Mortgagee's interest therein and/or expressly disaffirm in writing any rights, interests, obligations, duties and/or liabilities with respect to such Property or matters related thereto. Without limiting the generality of the foregoing, it is understood and agreed that Mortgagee shall have no obligations, duties or liabilities prior to or after acquisition of title to any portion of the Property, as lessee under any lease or purchaser or seller under any contract or option unless Mortgagee elects otherwise by written notification. Notwithstanding the foregoing, the terms of this Section 2.3 shall not amend, modify or waive any of Mortgagee's obligations with respect to the Property set forth in the Settlement Agreement and Release.

Section 2.4. Authorization to File Financing Statements; Power of Attorney. Mortgagor hereby authorizes Mortgagee at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements with or without signature of Mortgagor as authorized by applicable law, as applicable to the Collateral required by Mortgagee to establish or maintain the validity, perfection and priority of the security interests granted in this Mortgage. For the purpose of such filings, Mortgagor agrees to furnish any information reasonably requested by Mortgagee promptly upon

request by Mortgagee. Mortgagor also ratifies its authorization for Mortgagee to have filed any like initial financing statements, amendments thereto or continuation statements if filed prior to the date of this Mortgage. Mortgagor hereby irrevocably constitutes and appoints Mortgagee and any officer or agent of Mortgagee, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Mortgagor or in Mortgagor's own name to execute in Mortgagor's name any such financing statements, amendments and continuation statements and to otherwise carry out the purposes of this Section 2.4, to the extent that Mortgagor's authorization above is not sufficient. To the extent permitted by law, Mortgagor hereby ratifies all acts said attorneys-in-fact shall lawfully do, have done in the past or cause to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

ARTICLE 3

Assignment of Rents and Leases

Section 3.1. Assignment. Mortgagor hereby unconditionally, absolutely and presently sells, grants, transfers, releases, conveys and assigns to Mortgagee all Rents (hereinafter defined) and all of Mortgagor's rights in and under all Leases (hereinafter defined). This grant, transfer, assignment and conveyance of Leases gives Mortgagee the present unconditional and absolute right and title to the Leases and Rents and to collect and receive the Rents. So long as no Default has occurred, which remains uncured, Mortgagor shall have a license (which license shall terminate automatically and without further notice upon the occurrence of a Default), in the place and stead of Mortgagee, to collect, but not prior to accrual, the Rents under the Leases and, where applicable, subleases, such Rents to be held in trust for Mortgagee and to otherwise deal with all Leases as permitted by this Mortgage. Each month, provided no Default has occurred, which remains uncured, Mortgagor may retain such Rents as were collected that month and may use and enjoy such Rents free of any trust for Mortgagee. Upon the revocation of such license, all Rents shall be paid directly to Mortgagee and not through the Mortgagor, all without the necessity of any further action by Mortgagee, including, without limitation, any action to obtain possession of the Land, Improvements or any other portion of the Property or any action for the appointment of a receiver. Mortgagor, during the continuance of any Default, hereby authorizes and directs the tenants under the Leases to pay Rents to Mortgagee upon written demand by Mortgagee, without further consent of Mortgagor, without any obligation of such tenants to determine whether a Default has in fact occurred and regardless of whether Mortgagee has taken possession of any portion of the Property, and the tenants may rely upon any written statement delivered by Mortgagee to the tenants. Any such payments to Mortgagee shall constitute payments to Mortgagor under the Leases, and Mortgagor hereby irrevocably appoints Mortgagee as its attorney-in-fact to do all things which Mortgagor might reasonably otherwise do with respect to the Property and the Leases thereon, including, without limitation, (i) collecting Rents with or without suit and applying the same, less expenses of collection, to any of the obligations secured hereunder or to expenses of operating and maintaining the Property (including reasonable reserves for anticipated expenses), at the option of the Mortgagee, all in such manner as may be determined by Mortgagee, or at the option of Mortgagee, holding the same as security for the payment of the Secured Indebtedness, (ii) leasing, in the name of Mortgagor, the whole or any part of the Property which may become vacant, and (iii) employing agents therefor and paying such agents reasonable compensation for their services; provided, however, that Mortgagee shall exercise such rights as attorney-in-fact only subsequent to the occurrence of a Default under the terms of the Notes or this Mortgage, which remains uncured. The curing of such Default, unless other Defaults also then exist, shall entitle Mortgagor to recover its aforesaid license to do any such things which Mortgagor might otherwise do with respect to the Property and the Leases thereon and to again collect such Rents. The powers and rights granted in this paragraph shall be in addition to the other remedies herein provided for upon the occurrence of a Default and may be exercised independently of or concurrently with any of said remedies. Nothing in the foregoing shall be construed to impose any obligation upon Mortgagee to exercise any power or right granted in this paragraph or to assume any liability under any Lease of any part of the Property and no liability shall attach to Mortgagee for failure or inability to collect any Rents under any such Lease. The assignment contained in this Section shall automatically become null and void upon the release or satisfaction of record of this Mortgage. As used herein: (i) "Lease" means each existing or future lease, sublease (to the extent of Mortgagor's rights thereunder) or other agreement under the terms of which any person has or acquires any right to occupy or use the Property, or any part thereof, or interest therein, and each existing or future guaranty of payment or performance thereunder, and all extensions, renewals, modifications and replacements of each such lease, sublease, agreement or guaranty; and (ii) "Rents" means all of the rents, revenue, income, profits and proceeds derived and to be derived from the Property or arising from the use or enjoyment of any portion thereof or from any Lease, including but not limited to the proceeds from any negotiated lease termination or buyout of such Lease, liquidated damages following default under any such Lease, all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by damage to any part of the Property, all of Mortgagor's rights to recover monetary amounts from any tenant in bankruptcy including, without limitation, rights of recovery for use and occupancy and damage claims arising out of Lease defaults, including rejections, under any applicable Debtor Relief Law (hereinafter defined), together with any sums of money that may now or at any time hereafter be or become due and payable to Mortgagor by virtue of any and all royalties, overriding royalties, bonuses, delay rentals and any other amount of any kind or character arising under any and all present and all future oil, gas, mineral and mining leases covering the Property or any part thereof, and all proceeds and other amounts paid or owing to Mortgagor under or pursuant to any and all contracts and bonds relating to the construction or renovation of the Property.

Section 3.2. Covenants, Representations and Warranties Concerning Leases and Rents. Mortgagor covenants, represents and warrants that: (a) Mortgagor has good title to, and is the owner of the entire landlord's interest in, the Leases and Rents hereby assigned and authority to assign them; (b) to the extent that any Leases currently exist, all such Leases are valid and enforceable, and in full force and effect, and are unmodified except as stated therein; (c) neither Mortgagor nor any tenant in the Property is in default under its Lease (and no event has occurred which with the passage of time or notice or both would result in a default under its Lease) or is the subject of any bankruptcy, insolvency or similar proceeding; (d) except as provided in the NL Loan Documents and unless otherwise stated in a Permitted Encumbrance, Mortgagor has not or will not assign, mortgage, pledge or otherwise encumber any of the Rents or Leases and no other person has or will acquire any right, title or interest in such Rents or Leases; (e) no Rents have been waived, released, discounted, set off or compromised; (f) except as stated in the Leases, Mortgagor has not received any funds or deposits from any tenant for which credit has not already been made on account of accrued Rents; (g) Mortgagor shall perform all of its obligations under the Leases and enforce the tenants' obligations under the Leases to the extent enforcement is prudent under the circumstances; (h) Mortgagor will not without the prior written consent of Mortgagee, enter into any Lease after the date hereof, or waive, release, discount, set off, compromise, reduce or defer any Rent, receive or collect Rents more than one (1) month in advance, grant any rent-free period to any tenant, reduce any Lease term or waive, release or otherwise modify any other material obligation under any Lease, renew or extend any Lease except in accordance with a right of the tenant thereto in such Lease, approve or consent to an assignment of a Lease or a subletting of any part of the premises covered by a Lease, or settle or compromise any claim against a tenant under a Lease in bankruptcy or otherwise; (i) Mortgagor will not, except in good faith where the tenant is in material default thereunder, terminate or consent to the cancellation or surrender of any Lease having an unexpired term of one (1) year or more unless promptly after the cancellation or surrender a new Lease of such premises is made with a new tenant having a credit standing, in Mortgagee's reasonable judgment, at least equivalent to that of the tenant whose Lease was canceled, on substantially the same terms as the terminated or canceled Lease; (j) Mortgagor will not execute any Lease except in accordance with the Bank Loan Documents and for actual occupancy by the tenant thereunder; (k) Mortgagor shall give prompt notice to Mortgagee, as soon as Mortgagor first obtains notice, of any claim, or the commencement of any action, by any tenant or subtenant under or with respect to a Lease regarding any claimed damage, default, diminution of or offset against Rent, cancellation of the Lease, or constructive eviction, excluding, however, notices of default under residential Leases, and Mortgagor shall defend, at Mortgagee's expense, any proceeding pertaining to any Lease, including, if Mortgagee so requests, any such proceeding to which Mortgagee is a party; (l) Mortgagor shall as often as requested in writing by Mortgagee, within ten (10) days of each request, deliver to Mortgagee a complete rent roll of the Property in such detail as Mortgagee may reasonably require and financial statements of the tenants, subtenants and guarantors under the Leases to the extent available to Mortgagor, and deliver to such of the tenants and others obligated under the Leases specified by Mortgagee written notice of the assignment in Section 3.1 hereof in form and content satisfactory to Mortgagee; (m) promptly upon written request by Mortgagee, Mortgagor shall deliver to Mortgagee executed originals of all Leases and copies of all records relating thereto; (n) there shall be no merger of the leasehold estates, created by the Leases, with the fee estate of the Land without the prior written consent of Mortgagee; and (o) Mortgagor may at any time and from time to time by specific written instrument intended for the purpose, unilaterally subordinate the lien of this Mortgage to any Lease, without joinder or consent of, or notice to, Mortgagor, any tenant or any other person, and notice is hereby given to each tenant under a Lease of such right to subordinate. No such subordination shall constitute a

subordination to any lien or other encumbrance, whenever arising, or improve the right of any junior lien mortgagee; and nothing herein shall be construed as subordinating this Mortgage to any Lease.

Section 3.3. Estoppel Certificates. All Leases shall require the tenant to execute and deliver to Mortgagee an estoppel certificate in customary form within ten (10) days after written notice from the Mortgagee.

Section 3.4. No Liability of Mortgagee. Mortgagee's acceptance of this assignment shall not be deemed to constitute Mortgagee a "mortgagee in possession," nor obligate Mortgagee to appear in or defend any proceeding relating to any Lease or to the Property, or to take any action hereunder, expend any money, incur any expenses, or perform any obligation or liability under any Lease, or assume any obligation for any deposit delivered to Mortgagor by any tenant and not as such delivered to and accepted by Mortgagee. Mortgagee shall not be liable for any injury or damage to person or property in or about the Property, or for Mortgagee's failure to collect or to exercise diligence in collecting Rents, but shall be accountable only for Rents that it shall actually receive. Neither the assignment of Leases and Rents nor enforcement of Mortgagee's rights regarding Leases and Rents (including collection of Rents) nor possession of the Property by Mortgagee nor Mortgagee's consent to or approval of any Lease (nor all of the same), shall render Mortgagee liable on any obligation under or with respect to any Lease or constitute affirmation of, or any subordination to, any Lease, occupancy, use or option.

If Mortgagee seeks or obtains any judicial relief regarding Rents or Leases, the same shall in no way prevent the concurrent or subsequent employment of any other appropriate rights or remedies nor shall same constitute an election of judicial relief for any foreclosure or any other purpose. Mortgagee neither has nor assumes any obligations as lessor or landlord with respect to any Lease. The rights of Mortgagee under this Article 3 shall be cumulative of all other rights of Mortgagee under the NL Loan Documents.

ARTICLE 4

Default

Section 4.1. Events of Default. The occurrence of any one of the following shall be a default under this Mortgage ("default" or "Default"):

(a) Failure to Pay Indebtedness. Any of the Secured Indebtedness is not paid within ten (10) days after the date as and when due, regardless of how such amount may have become due.

(b) Nonperformance of Covenants. Any covenant, agreement or condition herein (other than covenants otherwise addressed in another paragraph of this Section, such as covenants to pay the Secured Indebtedness) is not fully and timely performed, observed or kept, and such failure remains uncured for more than thirty (30) days after written notice thereof shall have been sent by Mortgagee to Mortgagor, unless the nature of the failure is such that (i) it cannot be cured within the thirty (30) day period, (ii) Mortgagor institutes corrective action within the thirty (30) day period, and (iii) Mortgagor diligently pursues such action until the failure is remedied and completes the cure thereof within a period of an additional thirty (30) days.

(c) Representations. Any statement, representation or warranty in any of the NL Loan Documents is false or misleading in any material respect on the date hereof or on the date as of which such statement, representation or warranty is made, and such statement, representation or warranty is not made true and correct (as of the time such corrective action is taken) within the applicable grace period (if any) provided for in such NL Loan Document.

(d) Bankruptcy or Insolvency. Mortgagor, Guarantor, Prudential or any other person liable, directly or indirectly, for any of the Secured Indebtedness (or any general partner, joint venturer or member of Mortgagor or such other person or entity):

(i) (A) Executes an assignment for the benefit of creditors, or takes any action in furtherance thereof; or (B) admits in writing its inability to pay, or fails to pay, its debts generally as they become due; or (C) as a debtor, files a petition, case, proceeding or other action pursuant to, or voluntarily seeks the benefit or benefits of, Title 11 of the United States Code as now or hereafter in effect or any other law, domestic or foreign, as now or hereafter in effect relating to bankruptcy, insolvency, liquidation, receivership, reorganization, arrangement, composition, extension or adjustment of debts, or similar laws affecting the rights of creditors (Title 11 of the United States Code and such other laws being herein called "Debtor Relief Laws"), or takes any action in furtherance thereof; or (D) seeks the appointment of a receiver, trustee, custodian or liquidator of the Property or any part thereof or of any significant portion of its other property; or

(ii) Suffers the filing of a petition, case, proceeding or other action against it as a debtor under any Debtor Relief Law or seeking appointment of a receiver, trustee, custodian or liquidator of the Property or any part thereof or of any significant portion of its other property, and (A) admits, acquiesces in or fails to contest diligently the material allegations thereof, or (B) the petition, case, proceeding or other action results in entry of any order for relief or order granting relief sought against it, or (C) in a proceeding under Debtor Relief Laws, the case is converted from one chapter to another, or (D) fails to have the petition, case, proceeding or other action permanently dismissed or discharged on or before the earlier of trial thereon or sixty (60) days next following the date of its filing; or

(iii) Conceals, removes, or permits to be concealed or removed, any part of its property, with intent to hinder, delay or defraud its creditors or any of them, or makes or suffers a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or makes any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; or suffers or permits, while insolvent, any creditor to obtain a lien (other than as described in subparagraph (iv) below) upon any of its property through legal proceedings which are not vacated and such lien discharged prior to enforcement thereof and in any event within sixty (60) days from the date thereof; or

(iv) Fails to have discharged within a period of thirty (30) days, but in any event prior to sale, seizure or transfer of title, any attachment, sequestration, or similar writ levied upon any portion of its property; provided, however, that the occurrence of the foregoing shall not constitute a Default so long as any such levy is being contested in good faith by proper proceedings which stays the enforcement of the same; or

(v) Fails to pay immediately or to have bonded off to the complete satisfaction of Mortgagee any final money judgment against it within a period of thirty (30) days from the date of entry, but in any event, prior to any action being taken to enforce the same.

(e) Transfer of the Property. Except for the Bank Mortgage and that certain Assignment of Rents and Leases as described in the Bank Loan Documents, any sale, lease, conveyance, assignment, pledge, encumbrance, or transfer of all or any part of the Property or any interest therein, voluntarily or involuntarily, whether by operation of law or otherwise, except: (i) sales or transfers of items of the Accessories which have become obsolete or worn beyond practical use and which have been replaced by adequate substitutes, owned by Mortgagor, having a value equal to or greater than the replaced items when new; and (ii) the grant, in the ordinary course of business, of a leasehold interest in a part of the Improvements to a tenant for occupancy, not containing a right or option to purchase and not in contravention of any provision of this Mortgage or of any other NL Loan Document. Mortgagee may, in its sole discretion, waive a default under this paragraph, but it shall have no obligation to do so, and any waiver may be conditioned upon such one or more of the following (if any) which Mortgagee may require: the grantee's integrity, reputation, character, creditworthiness and management ability being satisfactory to Mortgagee in its sole judgment and grantee executing, prior to such sale or transfer, a written assumption agreement containing such terms as Mortgagee may require, a principal payoff on the NL Note, an increase in the rate of interest payable under the NL Note, a transfer fee, a modification of the term of the NL Note, and any other modification of the NL Loan Documents which Mortgagee may require. NOTICE - THE DEBT SECURED HEREBY IS SUBJECT TO

CALL IN FULL IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

- (f) Abandonment. The owner of the Property abandons any of the Property without the intent to return.
- (g) Default Under Bank Loan. A default or event of default occurs under the Bank Loan Documents and which default or event of default remains uncured beyond any applicable grace and/or cure period provided therefore or foreclosure proceedings are instituted under the Bank Mortgage.
- (h) Destruction. The Improvements are so demolished, destroyed or damaged that, in the reasonable opinion of Mortgagee, they cannot be restored or rebuilt with available funds in accordance with the terms hereof prior to the final maturity date of the Notes.
- (i) Condemnation. (i) Any governmental authority shall require, or commence any proceeding for, the demolition of any building or structure comprising a part of the Premises, or (ii) there is commenced any proceeding to condemn or otherwise take pursuant to the power of eminent domain, or a contract for sale or a conveyance in lieu of such a taking is executed which provides for the transfer of, a material portion of the Premises. For the purposes hereof, a taking or transfer of a material portion of the Premises shall mean any taking (or transfer in lieu thereof) to an extent that any current or proposed use of the Premises cannot be continued or any taking (or transfer in lieu thereof) of any portion which would result in the blockage or substantial impairment of access or utility service to the Improvements or which would cause the Premises to fail to comply with any Legal Requirement.
- (j) Liquidation, Etc. The liquidation, termination, dissolution, insolvency, merger, consolidation or failure to maintain good standing of Mortgagor, or any general partner of Mortgagor in the State of New Jersey and/or the state of incorporation or organization, if different, or the death, legal incapacity or insolvency of J. Brian O'Neill.
- (k) Enforceability; Priority. Any of the NL Loan Documents shall for any reason without Mortgagee's specific written consent cease to be in full force and effect, or shall be declared null and void or unenforceable in whole or in part, or the validity or enforceability thereof, in whole or in part, shall be challenged or denied by any party thereto other than Mortgagee; or the liens, mortgages or security interests of Mortgagee in any of the Property become unenforceable in whole or in part, or cease to be of the priority herein required, or the validity or enforceability thereof, in whole or in part, shall be challenged or denied by Mortgagor or any person obligated to pay any part of the Secured Indebtedness.
- (l) Material Adverse Change. In Mortgagee's reasonable opinion: (a) the prospect of payment of all or any part of the Secured Indebtedness has been impaired because of a material, adverse change in the Property or the financial condition, results of operations, business or properties of Mortgagor, Guarantor, or any person liable, directly or indirectly, for any of the Secured Indebtedness, (b) a breach in any of the financial covenants regarding PRISA II as set forth in Section 19.1, 19.2 or 19.3 of the Multi-Party Agreement (b) a material impairment of any party to perform its obligation under the Amended and Restated Agreement of Limited Partnership or (c) a material adverse change upon the legality, validity, binding effect or enforceability of any of the NL Loan Documents, the Amended and Restated Agreement of Limited Partnership, the Ground Lease or the Redevelopment Agreement (as defined in the Settlement Agreement and Release).
- (m) Other Property Related Agreements. A default or event of default occurs, by any party thereto, under any of the Amended and Restated Agreement of Limited Partnership, the Ground Lease or the Redevelopment Agreement, which default remains uncured beyond applicable grace and/or cure periods provided thereby, or any of the foregoing is modified in any matter whatsoever, without the prior written consent of Mortgagee, or is terminated for any reason whatsoever.

Section 4.2 Notice and Cure. If any provision of this Mortgage or any other Loan Document provides for Mortgagee to give to Mortgagor any notice regarding a default or incipient default, then if Mortgagee shall fail to give such notice to Mortgagor as provided, the sole and exclusive remedy of Mortgagor for such failure shall be to seek appropriate equitable relief to enforce the agreement to give such notice and to have any acceleration of the maturity of the NL Note and the Secured Indebtedness postponed or revoked and foreclosure proceedings in connection therewith delayed or terminated pending or upon the curing of such default in the manner and during the period of time permitted by such agreement, if any, and Mortgagor shall have no right to damages or any other type of relief not herein specifically set out against Mortgagee, all of which damages or other relief are hereby waived by Mortgagor. Nothing herein or in any other NL Loan Document shall operate or be construed to add on or make cumulative any cure or grace periods specified in any of the NL Loan Documents.

ARTICLE 5

Remedies

Section 5.1. Certain Remedies. If a Default shall occur, which remains uncured, Mortgagee may (but shall have no obligation to) exercise any one or more of the following remedies, without notice (unless notice is required by applicable statute):

(a) Acceleration. Mortgagee may at any time and from time to time declare any or all of the Secured Indebtedness immediately due and payable and such Secured Indebtedness shall thereupon be immediately due and payable. Upon and such declaration, such Secured Indebtedness shall thereupon be immediately due and payable without presentment, demand, protest, notice of protest, notice of acceleration or of intention to accelerate or any other notice or declaration of any kind, all of which are hereby expressly waived by Mortgagor. Without limitation of the foregoing, upon the occurrence of a Default described in clauses (A), (C) or (D) of subparagraph (i) of paragraph (d) of Section 4.1, hereof, all of the Secured Indebtedness shall thereupon be immediately due and payable, without presentment, demand, protest, notice of protest, declaration or notice of acceleration or intention to accelerate, or any other notice, declaration or act of any kind, all of which are hereby expressly waived by Mortgagor.

(b) Enforcement of Assignment of Rents. In addition to the rights of Mortgagee under Article 3 hereof, prior or subsequent to taking possession of any portion of the Property or taking any action with respect to such possession, Mortgagee may: (1) collect and/or sue for the Rents in Mortgagee's own name, give receipts and releases therefor, and after deducting all expenses of collection, including reasonable attorneys' fees and expenses, apply the net proceeds thereof to the Secured Indebtedness in such manner and order as Mortgagee may elect and/or to the operation and management of the Property, including the payment of management, brokerage and reasonable attorney's fees and expenses; and (2) require Mortgagor to transfer all security deposits and records thereof to Mortgagee together with original counterparts of the Leases.

(c) Foreclosure. Mortgagee may, with or without entry, institute one or more actions for the complete or partial foreclosure of this Mortgage or to institute other proceedings according to law for foreclosure, and prosecute the same to judgment, execution and sale, for the collection of the Secured Indebtedness and all costs and expenses of such proceedings, including reasonable attorneys' fees and actual attorneys' expenses.

To the extent permitted by law, Mortgagee has the option of proceeding as to Mortgagor's interest in both the Premises and the Accessories in accordance with its rights and remedies in respect of the Property, in which event the default provisions of the Uniform Commercial Code will not apply. Mortgagee also has the option of exercising, in respect of Mortgagor's interest in the Property consisting of Accessories, all of the rights and remedies available to a secured party upon default under the applicable provisions of the New Jersey Uniform Commercial Code. In the event Mortgagee elects to proceed with respect to the Accessories separately from the Land, whenever applicable provisions of the New Jersey Uniform Commercial Code require that notice be reasonable, ten

(10) days notice will be deemed reasonable.

(d) Mortgages of Conveyance and Transfer Upon the completion of every foreclosure, the public officer acting under executive order of the court (a "Selling Official") will execute and deliver to each purchaser a bill of sale or deed of conveyance, as appropriate, for the items of the Property that are sold. Mortgagor hereby grants every such Selling Official the power as the attorney-in-fact of Mortgagor to execute and deliver in Mortgagor's name all deeds, bills of sale and conveyances necessary to convey and transfer to the purchaser all of Mortgagor's rights, title and interest in the items of Property which are sold. Mortgagor hereby ratifies and confirms all that such attorney-in-fact lawfully do pursuant to such power. Nevertheless, Mortgagor, if so requested by the Selling Official or by any purchaser, will ratify any such sale by executing and delivering to such Selling Official or to such purchaser, as applicable, such deeds, bills of sale or other Mortgages of conveyance and transfer as may be specified in any such request.

(f) Recitals. The recitals contained in any Mortgage of conveyance or transfer made by a Selling Official to any purchaser at any Judicial Sale will, to the extent permitted by law, conclusively establish the truth and accuracy of the matters stated therein, including the amount of the Obligations, the occurrence of a Default, and the advertisement and conduct of such Judicial Sale in the manner provided herein or under applicable law, and the qualification of the Selling Official. All prerequisites to such Judicial Sale will be presumed from such recitals to have been satisfied and performed.

(g) Divestiture of Title; Bar. To the extent permitted by applicable law, every sale made as contemplated by this Mortgage will operate to divest all rights, title, and interest of Mortgagor in and to the items of the Property that are sold, and will be a perpetual bar, both at law and in equity, against Mortgagor and Mortgagor's heirs, executors, administrators, personal representatives, successors and assigns, and against everyone else, claiming the item sold either from, through or under Mortgagor or Mortgagor's heirs, executors, administrators, personal representatives, successors or assigns.

(h) Sale of Portion of Mortgaged Property. The Lien created by this Mortgage, as it pertains to any Property that remains unsold, will not be affected by foreclosure sale of less than all of the Property.

(i) Receiver. Mortgagee may apply to any court of competent jurisdiction to have a receiver appointed to enter upon and take possession of the Property, collect the Rents therefrom and apply the same as the court may direct, such receiver to have all of the rights and powers permitted under the laws of the State of New Jersey. To the extent permitted by law, the right of the appointment of such receiver shall be a matter of strict right without regard to the value or the occupancy of the Property or the solvency or insolvency of Mortgagor. The expenses, including receiver's fees, reasonable attorneys' fees, costs and agent's commission incurred pursuant to the powers herein contained, together with interest thereon at the default rate under the Notes, shall be secured hereby and shall be due and payable by Mortgagor immediately without notice or demand. Notwithstanding the appointment of any receiver or other custodian, Mortgagee shall be entitled as pledgee to the possession and control of any cash or deposits at the time held by, payable, or deliverable under the terms of this Mortgage to the Mortgagee, and the Mortgagee shall have the right to offset the unpaid Secured Indebtedness against any such cash or deposits in such order as Mortgagee may elect.

(j) Uniform Commercial Code. Mortgagee may exercise any or all of its rights and remedies under the New Jersey Uniform Commercial Code as in effect from time to time, (or under the Uniform Commercial Code in force from time to time in any other state to the extent the same is applicable law) or other applicable law as well as all other rights and remedies possessed by Mortgagee, all of which shall be cumulative. Mortgagee is hereby authorized and empowered to enter the Property or other place where the Accessories may be located without legal process, and to take possession of the Accessories without notice or demand, which hereby are waived to the maximum extent permitted by the laws of the State of New Jersey. Upon demand by Mortgagee, Mortgagor shall make the Accessories available to Mortgagee at a place reasonably convenient to Mortgagee. Mortgagee may proceed under the Uniform Commercial Code as to all or any part of the Accessories, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Uniform Commercial Code. Any notification required by the Uniform Commercial Code shall be deemed reasonably and properly given if sent in accordance with the Notice provisions of this Mortgage at least ten (10) days before any sale or other disposition of the Accessories. Mortgagee may choose to dispose of some or all of the property, in any combination consisting of both Accessories and Property, in one or more public or private sales to be held in accordance with the Law and procedures applicable to real property, as permitted by Article 9 of the Uniform Commercial Code. Mortgagor agrees that such a sale of Accessories together with Property constitutes a commercially reasonable sale of the Accessories.

(k) Lawsuits. Mortgagee may proceed by a suit or suits in equity or at law, whether for collection of the indebtedness secured hereby, the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the sale of the Property under the judgment or decree of any court or courts of competent jurisdiction. Mortgagor hereby assents to the passage of a decree for the sale of the Property by any equity court having jurisdiction.

(l) Entry on Property. Mortgagee is authorized, prior or subsequent to the institution of any foreclosure proceedings, to the fullest extent permitted by applicable law, to enter upon the Property, or any part thereof, and to take possession of the Property and all books and records relating thereto, and to exercise without interference from Mortgagor any and all rights which Mortgagor has with respect to the management, possession, operation, protection or preservation of the Property. Mortgagee shall not be deemed to have taken possession of the Property or any part thereof except upon the exercise of its right to do so, and then only to the extent evidenced by its demand and overt act specifically for such purpose. All costs, expenses and liabilities of every character reasonably incurred by Mortgagee in managing, operating, maintaining, protecting or preserving the Property shall constitute a demand obligation of Mortgagor (which obligation Mortgagor hereby promises to pay) to Mortgagee pursuant to this Mortgage. If necessary to obtain the possession provided for above, Mortgagee may invoke any and all legal remedies to dispossess Mortgagor. In connection with any action taken by Mortgagee pursuant to this Section, Mortgagee shall not be liable for any loss sustained by Mortgagor resulting from any failure to let the Property or any part thereof, or from any act or omission of Mortgagee in managing the Property unless such loss is caused by the willful misconduct and bad faith of Mortgagee, nor shall Mortgagee be obligated to perform or discharge any obligation, duty or liability of Mortgagor arising under any lease or other agreement relating to the Property or arising under any Permitted Encumbrance or otherwise arising, except as otherwise expressly provided in any subordination, non-disturbance and attornment agreement executed by Mortgagee with respect to the Property. Mortgagor hereby assents to, ratifies and confirms any and all actions of Mortgagee with respect to the Property taken under this Section.

(m) Other Rights and Remedies. Mortgagee may exercise any and all other rights and remedies which Mortgagee may have under the NL Loan Documents, or at law or in equity or otherwise.

Section 5.3. Proceeds of Foreclosure. The proceeds of any sale held by Mortgagee or any receiver or public officer in foreclosure of the liens and security interests evidenced hereby shall be applied in accordance with the requirements of applicable laws and to the extent consistent therewith: FIRST, to the payment of all necessary out of pocket costs and expenses incident to such foreclosure sale, including but not limited to all reasonable attorneys' fees and legal expenses, advertising costs, auctioneers' fees, costs of title rundowns and lien searches, inspection fees, appraisal costs, fees for professional services, environmental assessment and remediation fees, all court costs and charges of every character, and to the payment of the other Secured Indebtedness, including specifically without limitation the principal, accrued interest and reasonable attorneys' fees due and unpaid on the NL Note and the amounts due and unpaid and owed to Mortgagee under this Mortgage, the order and manner of application to the items in this clause FIRST to be in Mortgagee's sole discretion; and SECOND, the remainder, if any there shall be, shall be paid to Mortgagor, or to Mortgagor's representatives, successors or assigns, or such other persons or entities (including the Mortgagee or beneficiary of any inferior lien) as may be entitled thereto by law; provided, however, that if Mortgagee is uncertain which person or persons are so entitled, Mortgagee may interplead such remainder in any court of competent jurisdiction, and the amount of any reasonable attorneys' fees, court costs and out of pocket expenses incurred in such action shall be a part of the Secured Indebtedness and shall be reimbursable (without limitation) from such remainder.

Section 5.4. Mortgagee as Purchaser. Mortgagee shall have the right to become the purchaser at any sale held by Mortgagee or by any receiver or public officer or at any public sale, and Mortgagee shall have the right to credit upon the amount of Mortgagee's successful bid, to the extent necessary to satisfy such bid, all or any part of the Secured Indebtedness in such manner and order as Mortgagee may elect.

Section 5.6. Foreclosure as to Matured Debt. Upon the occurrence of a Default, Mortgagee shall have the right to proceed with foreclosure (judicial or nonjudicial) of the liens and security interests hereunder without declaring the entire Secured Indebtedness due, and in such event any such foreclosure sale may be made subject to the unmatured part of the Secured Indebtedness; and any such sale shall not in any manner affect the unmatured part of the Secured Indebtedness, but as to such unmatured part this Mortgage shall remain in full force and effect just as though no sale had been made. The proceeds of such sale shall be applied as provided in Section 5.3 hereof except that the amount paid under clause FIRST thereof shall be only the matured portion of the Secured Indebtedness and any proceeds of such sale in excess of those provided for in clause FIRST (modified as provided above) shall be applied to the prepayment (without penalty) of any other Secured Indebtedness in such manner and order and to such extent as Mortgagee deems advisable, and the remainder, if any, shall be applied as provided in clause SECOND of Section 5.3 hereof. Several sales may be made hereunder without exhausting the right of sale for any unmatured part of the Secured Indebtedness.

Section 5.6. Remedies Cumulative. All rights and remedies provided for herein and in any other NL Loan Document are cumulative of each other and of any and all other rights and remedies existing at law or in equity, and Mortgagee shall, in addition to the rights and remedies provided herein or in any other NL Loan Document, be entitled to avail itself of all such other rights and remedies as may now or hereafter exist at law or in equity for the collection of the Secured Indebtedness and the enforcement of the covenants herein and the foreclosure of the liens and security interests evidenced hereby, and the resort to any right or remedy provided for hereunder or under any such other NL Loan Document or provided for by law or in equity shall not prevent the concurrent or subsequent employment of any other appropriate right or rights or remedy or remedies.

Section 5.7. Mortgagee's Discretion as to Security. Mortgagee may resort to any security given by this Mortgage or to any other security now existing or hereafter given to secure the payment of the Secured Indebtedness, in whole or in part, and in such portions and in such order as may seem best to Mortgagee in its sole discretion, and any such action shall not in anywise be considered as a waiver of any of the rights, benefits, liens or security interests evidenced by this Mortgage.

Section 5.8. Mortgagor's Waiver of Certain Rights. To the full extent Mortgagor may do so, Mortgagor agrees that Mortgagor will not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension or redemption, homestead, moratorium, reinstatement, marshaling or forbearance, and Mortgagor, for Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns, and for any and all persons ever claiming any interest in the Property, to the extent permitted by applicable law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, notice of intention to mature or declare due the whole of the Secured Indebtedness, notice of election to mature or declare due the whole of the Secured Indebtedness and all rights to a marshaling of assets of Mortgagor, including the Property, or to a sale in inverse order of alienation in the event of foreclosure of the liens and/or security interests hereby created. Mortgagor shall not have or assert any right under any statute or rule of law pertaining to the marshaling of assets, sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever to defeat, reduce or affect the right of Mortgagee under the terms of this Mortgage to a sale of the Property for the collection of the Secured Indebtedness without any prior or different resort for collection, or the right of Mortgagee under the terms of this Mortgage to the payment of the Secured Indebtedness out of the proceeds of sale of the Property in preference to every other claimant whatsoever. To the extent permitted by law, Mortgagor waives any right or remedy which Mortgagor may have or be able to assert pursuant to any provision of New Jersey law pertaining to the rights and remedies of sureties. If any law referred to in this Section and now in force, of which Mortgagor or Mortgagor's heirs, devisees, representatives, successors or assigns or any other persons claiming any interest in the Property might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section to the extent permitted by law.

Section 5.9. Delivery of Possession After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale, Mortgagor or Mortgagor's representatives, or successors as owners of the Property are occupying or using the Property, or any part thereof, each and all shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of purchaser, at a reasonable rental per day based upon the value of the property occupied, such rental to be due daily to the purchaser; and to the extent permitted by applicable law, the purchaser at such sale shall, notwithstanding any language herein apparently to the contrary, have the sole option to demand immediate possession following the sale or to permit the occupants to remain as tenants at will. Except as otherwise expressly agreed to by Mortgagee in any subordination, non-disturbance and attornment agreement executed by Mortgagee with respect to the Property, after such foreclosure, any Leases to tenants or subtenants that are subject to this Mortgage (either by their date, their express terms, or by agreement of the tenant or subtenant) shall, at the sole option of Mortgagee or any purchaser at such sale, either (i) continue in full force and effect, and the tenant(s) or subtenant(s) thereunder will, upon request, attend to and acknowledge in writing to the purchaser or purchasers at such sale or sales as landlord thereunder, or (ii) upon notice to such effect from Mortgagee or any purchaser or purchasers, terminate within sixty (60) days from the date of sale. In the event the tenant fails to surrender possession of the Property upon demand, the purchaser shall be entitled to institute and maintain a summary action for possession of the Property (such as an action for forcible detainer) in any court having jurisdiction.

ARTICLE 6

Miscellaneous

Section 6.1. Scope of Mortgage. This Mortgage is a mortgage of both real and personal property, a security agreement, an assignment of rents and leases, a financing statement and a collateral assignment, and also covers proceeds and fixtures.

Section 6.2. Effective as a Financing Statement. This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Property and is to be filed for record in the real estate records of each county where any part of the Property (including said fixtures) is situated. This Mortgage shall also be effective as a financing statement covering as-extracted collateral (including oil and gas), accounts and general intangibles under the New Jersey Uniform Commercial Code, in effect from time to time, and similar provisions (if any) of the Uniform Commercial Code, as in effect from time to time, as enacted in any other state where the Property is situated which will be financed at the wellhead or minehead of the wells or mines located on the Property and is to be filed for record in the real estate records of each county where any part of the Property is situated. This Mortgage shall also be effective as a financing statement covering any other Property and may be filed in any other appropriate filing or recording office. The mailing address of Mortgagor and the Mortgagee are set forth at the preamble of this Mortgage. A carbon, photographic or other reproduction of this Mortgage or of any financing statement relating to this Mortgage shall be sufficient as a financing statement for any of the purposes referred to in this Section.

Section 6.3. Notice to Account Debtors. In addition to the rights granted elsewhere in this Mortgage, following a Default, Mortgagee may at any time notify the account debtors or obligors of any accounts, chattel paper, general intangibles, negotiable instruments or other evidences of indebtedness included in the Collateral to pay Mortgagee directly.

Section 6.4. Waiver by Mortgagee. Mortgagee may at any time and from time to time by a specific writing intended for the purpose: (a) waive compliance by Mortgagor with any covenant herein made by Mortgagor to the extent and in the manner specified in such writing; (b) consent to Mortgagor's doing any act which hereunder Mortgagor is prohibited from doing, or to Mortgagor's failing to do any act which hereunder Mortgagor is required to do, to

the extent and in the manner specified in such writing; (c) release any part of the Property or any interest therein from the lien and security interest of this Mortgage; or (d) release any party liable, either directly or indirectly, for the Secured Indebtedness or for any covenant herein or in any other NL Loan Document, without impairing or releasing the liability of any other party. No such act shall in any way affect the rights or powers of Mortgagee hereunder except to the extent specifically agreed to by Mortgagee in such writing.

Section 6.5. No Impairment of Security. The lien, security interest and other security rights of Mortgagee hereunder or under any other NL Loan Document shall not be impaired by any indulgence, moratorium or release granted by Mortgagee including, but not limited to, any renewal, extension or modification which Mortgagee may grant with respect to any Secured Indebtedness, or any surrender, compromise, release, renewal, extension, exchange or substitution which Mortgagee may grant in respect of the Property, or any part thereof or any interest therein, or any release or indulgence granted to any endorser, guarantor or surety of any Secured Indebtedness. The taking of additional security by Mortgagee shall not release or impair the lien, security interest or other security rights of Mortgagee hereunder or affect the liability of Mortgagor or of any endorser, guarantor or surety, or improve the right of any junior lien mortgagee in the Property (without implying hereby Mortgagee's consent to any junior lien).

Section 6.6. Acts Not Constituting Waiver by Mortgagee. Mortgagee may waive any default without waiving any other prior or subsequent default. Mortgagee may remedy any default without waiving the default remedied. Neither failure by Mortgagee to exercise, nor delay by Mortgagee in exercising, nor discontinuance of the exercise of any right, power or remedy (including but not limited to the right to accelerate the maturity of the Secured Indebtedness or any part thereof) upon or after any default shall be construed as a waiver of such default or as a waiver of the right to exercise any such right, power or remedy at a later date. No single or partial exercise by Mortgagee of any right, power or remedy hereunder shall exhaust the same or shall preclude any other or further exercise thereof, and every such right, power or remedy hereunder may be exercised at any time and from time to time. No modification or waiver of any provision hereof nor consent to any departure by Mortgagor therefrom shall in any event be effective unless the same shall be in writing and signed by Mortgagee and then such waiver or consent shall be effective only in the specific instance, for the purpose for which given and to the extent therein specified. No notice to nor demand on Mortgagor in any case shall of itself entitle Mortgagor to any other or further notice or demand in similar or other circumstances. Remittances in payment of any part of the Secured Indebtedness other than in the required amount in immediately available U.S. funds shall not, regardless of any receipt or credit issued therefor, constitute payment until the required amount is actually received by Mortgagee in immediately available U.S. funds and shall be made and accepted subject to the condition that any check or draft may be handled for collection in accordance with the practice of the collecting bank or banks. Acceptance by Mortgagee of any payment in an amount less than the amount then due on any Secured Indebtedness shall be deemed an acceptance on account only and shall not in any way excuse the existence of a default hereunder, notwithstanding any notation on or accompanying such partial payment to the contrary.

Section 6.7. Mortgagor's Successors. If the ownership of the Property or any part thereof becomes vested in a person other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and to the Secured Indebtedness in the same manner as with Mortgagor, without in any way vitiating or discharging Mortgagor's liability hereunder or for the payment of the indebtedness or performance of the obligations secured hereby. No transfer of the Property, no forbearance on the part of Mortgagee, and no extension of the time for the payment of the Secured Indebtedness given by Mortgagee shall operate to release, discharge, modify, change or affect, in whole or in part, the liability of Mortgagor hereunder for the payment of the indebtedness or performance of the obligations secured hereby or the liability of any other person hereunder for the payment of the indebtedness secured hereby. Mortgagor agrees that it shall be bound by any modification of this Mortgage or any of the other NL Loan Documents made by Mortgagee and any subsequent owner of the Property, with or without notice to Mortgagor, and no such modifications shall impair the obligations of Mortgagor under this Mortgage or any other NL Loan Document. Nothing in this Section or elsewhere in this Mortgage shall be construed to imply Mortgagee's consent to any transfer of the Property.

Section 6.8. Place of Payment; Forum; Waiver of Jury Trial. All Secured Indebtedness which may be owing hereunder at any time by Mortgagor shall be payable at the place designated in the NL Note (or if no such designation is made, at the address of Mortgagee indicated at the end of this Mortgage). Mortgagor hereby irrevocably submits generally and unconditionally for itself and in respect of its property to the non-exclusive jurisdiction of any state or federal court sitting in the State of New Jersey or of any state or federal court sitting in the jurisdiction in which the Secured Indebtedness is payable over any suit, action or proceeding arising out of or relating to this Mortgage or the Secured Indebtedness. Mortgagor hereby irrevocably waives, to the fullest extent permitted by law, any objection that Mortgagor may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Mortgagor hereby agrees and consents that, in addition to any methods of service of process provided for under applicable law, all service of process in any such suit, action or proceeding in any New Jersey state court or any United States federal court sitting in the jurisdiction in which the Secured Indebtedness is payable may be made by certified or registered mail, return receipt requested, directed to Mortgagor at its address stated at the end of this Mortgage, or at a subsequent address of Mortgagor of which Mortgagee received actual notice from Mortgagor in accordance with this Mortgage, and service so made shall be complete five (5) days after the same shall have been so mailed. Nothing herein shall affect the right of Mortgagee to serve process in any manner permitted by law or limit the right of Mortgagee to bring proceedings against Mortgagor in any other court or jurisdiction. **TO THE FULLEST EXTENT PERMITTED BY LAW, MORTGAGOR AND MORTGAGEE (BY ACCEPTANCE OF THIS MORTGAGE) WAIVES THE RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY ACTION, SUIT OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS MORTGAGE OR ANY OTHER NL LOAN DOCUMENT.**

Section 6.9. Subrogation to Existing Liens; Vendor's Lien. To the extent that proceeds of the NL Note are used to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Property, such proceeds have been advanced by Mortgagee at Mortgagor's request, and Mortgagee shall be subrogated to any and all rights, security interests and liens owned by any owner or Mortgagee of such outstanding liens, security interests, charges or encumbrances, however remote, irrespective of whether said liens, security interests, charges or encumbrances are released, and all of the same are recognized as valid and subsisting and are renewed and continued and merged herein to secure the Secured Indebtedness, but the terms and provisions of this Mortgage shall govern and control the manner and terms of enforcement of the liens, security interests, charges and encumbrances to which Mortgagee is subrogated hereunder. It is expressly understood that, in consideration of the payment of such indebtedness by Mortgagee, Mortgagor hereby waives and releases all demands and causes of action for offsets and payments in connection with the said indebtedness. To the extent permitted by law, if all or any portion of the proceeds of the loans evidenced by the Notes or of any other Secured Indebtedness has been advanced for the purpose of paying the purchase price for all or a part of the Property, no vendor's lien is waived; and Mortgagee shall have, and is hereby granted, a vendor's lien on the Property as cumulative additional security for the Secured Indebtedness. To the extent permitted by law, Mortgagee may foreclose under this Mortgage or under the vendor's lien without waiving the other or may foreclose under both.

Section 6.10. Application of Payments to Certain Indebtedness. If any part of the Secured Indebtedness cannot be lawfully secured by this Mortgage or if any part of the Property cannot be lawfully subject to the lien and security interest hereof to the full extent of such indebtedness, then all payments made shall be applied on said indebtedness first in discharge of that portion thereof which is not secured by this Mortgage.

Section 6.11. Nature of Loans; Compliance with Usury Laws. The loan evidenced by the NL Notes is being made solely for the purpose of carrying on or acquiring a business or commercial enterprise. It is the intent of Mortgagor and Mortgagee and all other parties to the NL Loan Documents to conform to and contract in strict compliance with applicable usury law from time to time in effect. All agreements between Mortgagee and Mortgagor (or any other party liable with respect to any indebtedness under the NL Loan Documents) are hereby limited by the provisions of this Section which shall override and control all such agreements, whether now existing or hereafter arising. In no way, nor in any event or contingency (including but not limited to prepayment, default, demand for payment, or acceleration of the maturity of any obligation), shall the interest taken, reserved, contracted for, charged, chargeable, or received under this Mortgage, the NL Note or any other NL Loan Document or otherwise, exceed the maximum nonusurious amount permitted by applicable law (the "Maximum Amount"). If, from any possible construction of any document, interest would otherwise be payable in excess of the Maximum Amount, any such construction shall be subject to the provisions of this Section and such document shall ipso facto be automatically reformed and the interest payable shall be

automatically reduced to the Maximum Amount, without the necessity of execution of any amendment or new document. If Mortgagee shall ever receive anything of value which is characterized as interest under applicable law and which would apart from this provision be in excess of the Maximum Amount, an amount equal to the amount which would have been excessive interest shall, without penalty, be applied to the reduction of the principal amount owing on the Secured Indebtedness in the inverse order of its maturity and not to the payment of interest, or refunded to Mortgagor or the other payor thereof if and to the extent such amount which would have been excessive exceeds such unpaid principal. The right to accelerate maturity of the NL Note or any other Secured Indebtedness does not include the right to accelerate any interest which has not otherwise accrued on the date of such acceleration, and Mortgagee does not intend to charge or receive any unearned interest in the event of acceleration. All interest paid or agreed to be paid to Mortgagee shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full stated term (including any renewal or extension) of such indebtedness so that the amount of interest on account of such indebtedness does not exceed the Maximum Amount. As used in this Section, the term "applicable law" shall mean the laws of the State of New Jersey or the federal laws of the United States applicable to this transaction, whichever laws allow the greater interest, as such laws now exist or may be changed or amended or come into effect in the future.

Section 6.12. Notices. All notices, requests, consents, demands and other communications required or which any party desires to give hereunder or under any other NL Loan Document shall be in writing and, unless otherwise specifically provided in such other NL Loan Document, shall be deemed sufficiently given or furnished if delivered by personal delivery, by nationally recognized overnight courier service, or by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the party as set forth in Multi-Party Agreement (unless changed by similar notice in writing given by the particular party whose address is to be changed) or by facsimile. Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile, upon receipt. Notwithstanding the foregoing, no notice of change of address shall be effective except upon receipt. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in any NL Loan Document or to require giving of notice or demand to or upon any person in any situation or for any reason.

Section 6.13. Invalidity of Certain Provisions. A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision and the determination that the application of any provision of this Mortgage to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to other persons or circumstances.

Section 6.14. Gender; Titles; Construction. Within this Mortgage, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. Titles appearing at the beginning of any subdivisions hereof are for convenience only, do not constitute any part of such subdivisions, and shall be disregarded in construing the language contained in such subdivisions. The use of the words "herein," "hereof," "hereunder" and other similar compounds of the word "here" shall refer to this entire Mortgage and not to any particular Article, Section, paragraph or provision. The term "person" and words importing persons as used in this Mortgage shall include firms, associations, partnerships (including limited partnerships), joint ventures, trusts, corporations, limited liability companies and other legal entities, including public or governmental bodies, agencies or instrumentalities, as well as natural persons.

Section 6.15. Reporting Compliance. Mortgagor agrees to comply with any and all reporting requirements applicable to the transaction evidenced by the NL Note and secured by this Mortgage which are set forth in any law, statute, ordinance, rule, regulation, order or determination of any governmental authority, including but not limited to The International Investment Survey Act of 1976, The Agricultural Foreign Investment Disclosure Act of 1978, The Foreign Investment in Real Property Tax Act of 1980 and the Tax Reform Act of 1984 and further agrees upon request of Mortgagee to furnish Mortgagee with evidence of such compliance.

Section 6.16. Mortgagee's Consent. Except where otherwise expressly provided herein, in any instance hereunder where the approval, consent or the exercise of judgment of Mortgagee is required or requested, (a) the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee, and Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner, regardless of the reasonableness of either the request or Mortgagee's judgment, and (b) no approval or consent of Mortgagee shall be deemed to have been given except by a specific writing intended for the purpose and executed by an authorized representative of Mortgagee.

Section 6.17. Mortgagor. Unless the context clearly indicates otherwise, as used in this Mortgage, "Mortgagor" means the Mortgagors named in the Preamble of this Mortgage. The obligations of Mortgagor hereunder shall be joint and several. If any Mortgagor, or any signatory who signs on behalf of any Mortgagor, is a corporation, partnership or other legal entity, Mortgagor and any such signatory, and the person or persons signing for it, represent and warrant to Mortgagee that this instrument is executed, acknowledged and delivered by Mortgagor's duly authorized representatives. If Mortgagor is an individual, no power of attorney granted by Mortgagor herein shall terminate on Mortgagor's disability.

Section 6.18. Execution; Recording. This Mortgage has been executed in several counterparts, all of which are identical, and all of which counterparts together shall constitute one and the same instrument. The date or dates reflected in the acknowledgments hereto indicate the date or dates of actual execution of this Mortgage, but such execution is as of the date shown on the first page hereof, and for purposes of identification and reference the date of this Mortgage shall be deemed to be the date reflected on the first page hereof. Mortgagor will cause this Mortgage and all amendments and supplements thereto and substitutions therefor and all financing statements and continuation statements relating thereto to be recorded, filed, re-recorded and refiled in such manner and in such places as Mortgagee shall reasonably request and will pay all such recording, filing, re-recording and refiling taxes, fees and other charges.

Section 6.19. Successors and Assigns. The terms, provisions, covenants and conditions hereof shall be binding upon Mortgagor, and the successors and assigns of Mortgagor, and shall inure to the benefit of Mortgagee and shall constitute covenants running with the Land. All references in this Mortgage to Mortgagor shall be deemed to include all such successors and assigns of Mortgagor.

Section 6.20. Modification or Termination. The NL Loan Documents may only be modified or terminated by a written instrument or instruments intended for that purpose and executed by the party against which enforcement of the modification or termination is asserted. Any alleged modification or termination which is not so documented shall not be effective as to any party.

Section 6.21. No Partnership, Etc. The relationship between Mortgagee and Mortgagor is solely that of lender and borrower. No Mortgagee has any fiduciary or other special relationship with Mortgagor. Nothing contained in the NL Loan Documents is intended to create any partnership, joint venture, association or special relationship between Mortgagor and Mortgagee or in any way make Mortgagee a co-principal with Mortgagor with reference to the Property. All agreed contractual duties between or among Mortgagee and Mortgagor are set forth herein and in the other NL Loan Documents and any additional implied covenants or duties are hereby disclaimed. Any inferences to the contrary of any of the foregoing are hereby expressly negated.

Section 6.22. Applicable Law. THIS MORTGAGE, AND ITS VALIDITY, ENFORCEMENT AND INTERPRETATION, SHALL BE GOVERNED BY NEW JERSEY LAW AND CONSTRUED, INTERPRETED AND ENFORCED IN ACCORDANCE WITH AND PURSUANT TO THE LAWS OF THE STATE OF NEW JERSEY (WITHOUT REGARD TO ANY CONFLICT OF LAWS PRINCIPLES) AND APPLICABLE UNITED STATES FEDERAL LAW, EXCEPT AS OTHERWISE REQUIRED BY MANDATORY PROVISIONS OF LAW AND EXCEPT TO THE EXTENT THAT REMEDIES PROVIDED BY THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW JERSEY ARE GOVERNED BY THE LAWS OF SUCH OTHER JURISDICTION.

Section 6.23. Entire Agreement. The NL Loan Documents constitute the entire understanding and agreement between Mortgagor and Mortgagee with

respect to the transactions arising in connection with the indebtedness secured hereby and supersede all prior written or oral understandings and agreements between Mortgagor and Mortgagee with respect to the matters addressed in the NL Loan Documents. Mortgagor hereby acknowledges that, except as incorporated in writing in the NL Loan Documents, there are not, and were not, and no persons are or were authorized by Mortgagee to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the matters addressed in the NL Loan Documents.

Section 6.24. Intercreditor Agreement: Conflicts. Notwithstanding anything to the contrary contained herein, this Mortgage (including, without limitation the enforcement of the rights, remedies and obligations as set forth hereunder) is and shall remain subject and the terms, covenants, conditions set forth in the Intercreditor Agreement. In the event of any conflict or ambiguity with between the terms, covenants and conditions of the Intercreditor Agreement and this Mortgage, the provisions of the Intercreditor Agreement shall control.

SIGNATURES BEGIN ON FOLLOWING PAGE

IN WITNESS WHEREOF, Mortgagor has executed this instrument under seal as of the date first written on page 1 hereof.

MORTGAGOR:

SAYREVILLE SEAPORT ASSOCIATES, L.P., a Delaware
limited partnership

By: Sayreville Seaport Associates Acquisition
Company, LLC, a Delaware limited liability company
General Partner

By: /s/ Jon Robinson (SEAL) Name: Jon Robinson
Title: Vice President

COMMONWEALTH OF PENNSYLVANIA, COUNTY OF Montgomery, TO WIT:

I HEREBY CERTIFY, that on this 15th day of October, 2008, before me, the undersigned Notary Public of said State, personally appeared Jon Robinson, who acknowledged himself to be the Vice President of Sayreville Seaport Associates Acquisition Company, LLC, a Delaware limited liability company and the General Partner of Sayreville Seaport Associates, L.P., a Delaware limited partnership, known to me, (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Vice President of said limited liability company by signing the name of the limited liability company by himself as Vice President.

WITNESS my hand and Notarial Seal.

/s/ Harry A. Reichner
Harry A. Reicher, Notary Public

My Commission Expires: November 13, 2010

**EXHIBIT A
LEGAL DESCRIPTION**

Includes meets and bounds legal description of property parcels C performed by CME Associates dated December 12, 2007.

INTERCREDITOR, SUBORDINATION AND STANDSTILL AGREEMENT

THIS INTERCREDITOR, SUBORDINATION AND STANDSTILL AGREEMENT (this "**Agreement**") is made and entered into as of October 15, 2008, by NL INDUSTRIES, INC., a New Jersey corporation ("**NL**") and NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., a New Jersey Corporation ("**NL EMS**", and together with NL, jointly and severally, the "**NL Companies**"; and BANK OF AMERICA, N.A., a national banking association ("**Administrative Agent**") on behalf of itself and the other financial institutions, now or hereinafter, party to the Loan Agreement (as defined below) (together with Administrative Agent collectively, the "**Banks**"; and acknowledged and consented to by SAYREVILLE SEAPORT ASSOCIATES, L.P., a Delaware limited partnership ("**Borrower**") and J. BRIAN O'NEILL.

R E C I T A L S:

A. The Banks have extended a loan (the "**Bank Loan**") to Borrower in the amount of Seventy Million Dollars (\$70,000,000.00) evidenced by those certain mortgage notes in the aggregate amount of Seventy Million Dollars (\$70,000,000.00), each of even date herewith, made by Borrower and payable to the order of each of the Banks (as such mortgage notes may be renewed, extended, modified, amended or restated from time to time, collectively, the "**Bank Notes**").

B. The Bank Notes and the total indebtedness evidenced thereby are secured by that certain Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing dated of even date herewith, executed by Borrower in favor of Administrative Agent and the other Banks, which shall be recorded in the Official Records of Middlesex County, New Jersey (the "Official Records") (as amended, supplemented, modified, restated, renewed or extended from time to time, the "**Mortgage**"), granting a first priority lien on and/or security interest in the "Property" (as defined in the Mortgage), including, without limitation, the land and any improvements situated thereon, which land is more particularly described in **Exhibit A** attached hereto and incorporated herein. The Bank Notes, the Mortgage and any loan agreement, security agreement, pledge agreement, UCC financing statements, environmental indemnity agreement, guaranty agreements (including, without limitation that certain Guaranty Agreement of even date herewith from J. BRIAN O'NEILL in favor of Administrative Agent and the other Banks (the "Bank Guaranty")), any Swap Contract (as defined in the Mortgage) or any assignment of architect's agreement, construction contract or other contracts or subcontracts or any other document or modification now or hereafter executed in connection therewith are herein referred to collectively as the "**Bank Loan Documents**."

C. NL Companies have extended a loan (the "**NL Loan**") to Borrower in the amount of Fifteen Million Dollars (\$15,000,000.00) evidenced by that certain mortgage note in the amount of Fifteen Million Dollars (\$15,000,000.00), dated of even date herewith, made by Borrower and payable to the order of NL Companies (as such mortgage note may be renewed, extended, modified, amended or restated from time to time, with the prior written consent of Administrative Agent, the "**NL Note**") and secured by that certain Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing dated of even date herewith, executed by Borrower in favor of the NL Companies, which shall be recorded in the Official Records (as amended, supplemented, modified, restated, renewed or extended from time to time, the "**Subordinate Mortgage**"), granting a second priority lien on and security interest in the Property and a Guaranty Agreement of even date herewith from J. BRIAN O'NEILL to NL Companies (the "NL Guaranty"). The NL Note, Subordinate Mortgage and NL Guaranty are herein referred to collectively as the "**NL Loan Documents**".

D. The Bank Loan Documents contain restrictions on Borrower's ability to incur additional indebtedness, arrange for guarantees of such indebtedness and place liens on the Property. Banks are unwilling to make the Bank Loan unless NL Companies agree to subordinate and make inferior: (i) the right, title, security interest, lien and interest created by the Subordinate Mortgage and the other NL Loan Documents to the right, title, security interest, lien and interest of the Bank Mortgage and the other Bank Loan Documents; and (ii) except as hereinafter provided in Section 4(b) and 4(c) below, NL Companies' rights to receive any payments under or on account of the NL Loan Obligations to Banks' rights to receive payments under or on account of the Bank Loan Obligations.

E. This Agreement shall be recorded in the Official Records.

NOW THEREFORE, for and in consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Administrative Agent, on behalf of itself and the other Banks, and NL Companies hereby agree as follows:

1. **Recitals Incorporated.** The recitals set forth hereinabove are incorporated herein by reference to the same extent and with the same force and effect as if fully set forth hereinbelow, provided, however, that such recitals shall not be deemed to modify the express provisions hereinafter set forth.

2. **Definitions.** The following terms shall have the meanings indicated below:

"**Bank Loan**" or "**Bank Loan Obligations**" means all present and future indebtedness, obligations and liabilities of Borrower under the Bank Loan Documents, including (a) all principal (including principal which is borrowed, repaid and reborrowed), interest (including interest accruing subsequent to, and interest that would have accrued but for, the filing of any petition under any bankruptcy, insolvency or similar law or the commencement of any Proceeding), default interest, late charges, prepayment fees, expenses, fees, other reimbursements, Swap Contracts, indemnities and other amounts payable thereunder, in each case whether now or hereafter arising, direct or indirect, primary or secondary, joint, several or joint and several, liquidated or unliquidated, final or contingent, and whether incurred as maker, endorser or otherwise; (b) all indebtedness arising from all present and future optional or obligatory advances under the Bank Notes or any other Bank Loan Document, (c) all

indebtedness, obligations and liabilities arising under any and all amendments, modifications, extensions, renewals, refinancing or refundings of any of the Bank Loan Documents, and (d) all indebtedness, obligations and liabilities under Protective Advances. To the extent any payment on any of the Bank Loan Obligations, whether by or on behalf of Borrower, as proceeds of security or enforcement of any right of setoff or otherwise, is recovered by or required to be paid over to Borrower or a receiver, trustee in bankruptcy, liquidating trustee, agent or other Person in a Proceeding, such Bank Loan Obligation or any part thereof originally intended to be satisfied by such payment shall be deemed to be reinstated and outstanding as if such payment had not occurred. All outstanding Bank Loan Obligations shall be and remain Bank Loan Obligations for all purposes of this Agreement, regardless of whether they are allowed, not allowed or subordinated in any Proceeding.

"Bank Loan Documents" is defined in Recital B.

"Bank Notes" is defined in Recital A.

"Loan Agreement" means that certain Loan Agreement, dated of event date herewith, by and among the Banks and Borrower evidencing the Bank Loan, as the same may be amended, supplemented, modified, restated, renewed or extended from time to time.

"Loan Pay-off Capital Contribution" has the meaning set forth in the Multi-Party Agreement.

"Mortgage" is defined in Recital B.

"Multi-Party Agreement" means that certain Multi-Party Agreement of even date herewith by and among Borrower; SAYREVILLE SEAPORT ASSOCIATES ACQUISITION COMPANY, LLC, a Delaware limited liability company and general partner of the Borrower; OPG PARTICIPATION, LLC, a Pennsylvania limited liability company and limited partner of the Borrower; J. BRIAN O'NEILL; NL COMPANIES; SAYREVILLE PRISA II LLC, a Delaware limited liability company; and THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, an insurance company organized under the laws of the State of New Jersey, acting solely on behalf of, for the benefit of, and with its liability limited to the assets of its insurance company separate account known as PRISA II.

"NL Loan" or **"NL Loan Obligations"** means all indebtedness, obligations and liabilities of Borrower under the NL Loan Documents, including all principal, interest (including interest accruing subsequent to, and interest that would have accrued but for, the filing of any petition under any bankruptcy, insolvency or similar law or the commencement of any Proceeding), default interest, late charges, prepayment fees, expenses, fees, reimbursements, indemnities and other amounts payable thereunder, in each case whether now or hereafter arising, direct or indirect, primary or secondary, joint, several or joint and several, liquidated or unliquidated, final or contingent and whether incurred as a maker, endorser, guarantor or otherwise.

"NL Loan Documents" is defined in Recital C.

"NL Note" is defined in Recital C.

"Person" means any person, individual, sole proprietorship, partnership, joint venture, corporation, limited liability company, unincorporated organization, association, institution, entity, party, including any government and any political subdivision, agency, or instrumentality thereof.

"Power of Attorney" is defined in Section 15 hereof.

"PRISA II Account" has the meaning set forth in the Multi-Party Agreement.

"Proceeding" means (a) any voluntary or involuntary case, action or proceeding before any court or other governmental authority relating to bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or (b) any general assignment for the benefit of creditors, composition, marshaling of assets for creditors, or other, similar arrangement in respect of its creditors generally or any substantial portion of its creditors; undertaken under U.S. Federal, state or foreign law, including the Bankruptcy Code.

"Property" means, collectively, the real property and all other property (whether real, personal or otherwise) described in the Mortgage.

"Protective Advances" means any and all sums advanced or expended by Administrative Agent (whether deemed optional or obligatory advances, or otherwise) which Administrative Agent deems necessary or appropriate (a) to repair, maintain, remediate or otherwise protect the Property or to prevent waste or destruction or to pay or prevent liens or to defend Borrower's title or the lien priority of the Mortgage, (b) to pay taxes, assessments or insurance premiums in respect of the Property or to otherwise protect security interest of the Banks in the Property and any other collateral for the Bank Loan Obligations, or (c) in connection with Administrative Agent's review, protection or exercise of its rights or remedies under the Bank Loan Documents.

"Prudential" means The Prudential Insurance Company of America, an insurance company organized under the laws of the State of New Jersey, acting solely on behalf of, for the benefit of, and with its liability limited to the assets of its insurance company separate account known as PRISA II.

"Swap Contracts" has the meaning set forth in the Mortgage.

3. **Subordination.** Each of the NL Companies, for itself and its successors and assigns (including, without limitation, all subsequent holders of the NL Note and the Subordinate Mortgage) does hereby subordinate (a) the Subordinate Mortgage and all other NL Loan Documents, (b) its right to any payment of any of the NL Loan Obligations, including any and all payments under the NL Guaranty, except as hereinafter provided in Section 4(b) and/or 4(c) below and (c) all of its right, title, security interest, lien, and interest in and to the Property and any other collateral for the Bank Loan and all sales proceeds, proceeds from insurance or condemnation, other proceeds, rents, issues, and profits therefrom, to (i) the Mortgage and all other Bank Loan Documents, (ii) the payment of all of the Bank Loan Obligations, including all rights to payment under and pursuant to the Bank Guaranty and (iii) all of the right, title, security interest, lien and interest held by Administrative Agent and/or any of the Banks and their respective successors and assigns (including, without limitation, all subsequent holders of a Bank Note and the Mortgage), in and to the Property and any other collateral and all sales proceeds, proceeds from insurance or condemnation, other proceeds, rents, issues, and profits therefrom, under and pursuant to (X) the Bank Notes, (Y) the Mortgage, and (Z) all other Bank Loan Documents, and any and all extensions, renewals, modifications, and replacements thereof. From and after the date hereof, all of the

documents, indebtedness, right to payment, title, security interest, lien, right and interest described in clauses (a), (b) and (c) hereinabove shall be subject and subordinate to all of the documents, indebtedness, right to payment, title, security interest, lien, right and interest described in clauses (i), (ii) and (iii) hereinabove.

4. Permitted Scheduled Interest Payments; Permitted Multi-Party Payment. Each of the NL Companies, for itself and its successors and assigns (including, without limitation, all subsequent holders of the NL Note and the Subordinate Mortgage) does hereby agree that, notwithstanding anything provided in the NL Loan Documents to the contrary, so long as the Bank Loan Obligations remain outstanding, unless Administrative Agent shall consent in writing:

(a) No Payments. Except as provided in (b) and/or (c) below, no payment of principal, interest, fees or other amounts shall be made or accepted on account of the NL Loan Obligations at any time when any amount of the Bank Loan Obligations remains unpaid or unsatisfied.

(b) Permitted Scheduled Payments. NL Companies may collect and receive from Borrower Permitted Scheduled Payments on account of the NL Loan Obligations on a monthly basis as the same come due. As used herein "Permitted Scheduled Payments" means the regularly scheduled monthly payment of interest due and payable under the NL Note based on the outstanding principal sum of the NL Note, not to exceed a maximum principal sum of \$15,000,000, and the non-default interest rate provided for in the NL Note, being no greater than the non-default interest rate specified in the Bank Notes. Without any obligation to NL Companies with respect to the same, Administrative Agent acknowledges to NL Companies that within the Bank Loan there is budgeted the sum of \$1,991,714 as interest on the NL Note. NL Companies acknowledges that such sum is not being held in trust, "set-aside" funds, collateral or escrowed for or with respect to the interest due under the NL Note and neither Administrative Agent nor any of the Banks have any obligation or duty to NL Companies with respect to or for the same or the payment of interest under the NL Note and NL Companies releases any and all claims against Administrative Agent and Banks with respect to the same.

(c) Payment by Prudential under the Multi-Party Agreement. NL Companies shall be permitted to receive payment of the Loan Pay-off Capital Contribution from Prudential pursuant to and in accordance with the Multi-Party Agreement.

(d) No Prepayment or Other Payment. Except as provided for in Section 4(b) and/or (c) above, until the Bank Loan Obligations have been paid and performed in full, no payment or prepayment of any kind may be made to NL Companies with respect to the NL Loan Obligations.

(e) Payments Held In Trust For Banks. In the event at any time that any payment is made to NL Companies on account of the principal, interest, fees, or other amounts on or with respect to the NL Loan Obligations, including any payments received under the NL Guaranty, which is not permitted under this Agreement, such payment shall be held by NL Companies in trust for the benefit of the Banks and shall be paid forthwith over and delivered to Administrative Agent for application to the payment of all of the Bank Loan Obligations remaining unpaid.

5. Limitation on NL Companies Acts/Multi-Party Agreement/Appointment of Agency.

(a) Notwithstanding anything to the contrary in any of the NL Loan Documents, so long as any of the Bank Loan Obligations remain outstanding, NL Companies shall have no rights, power or authority to exercise any rights, remedies or privileges under or pursuant to any of the NL Loan Documents or against Borrower or J. Brian O'Neill, or his heirs, successors or assigns, under or pursuant to the NL Guaranty. Without limitation, the forgoing shall include the exercise of any approval or consent rights or options; the granting of any consents or approvals; the making of any determinations or elections; the exercise of any right or remedy upon a Default occurring under any of the NL Loan Documents, including, without limitation, acceleration, foreclosure, collection, set-off or the bringing of any legal or equitable action under any of the Mortgage, the NL Note, the NL Guaranty, the Uniform Commercial Code or any other applicable laws, provided NL Companies shall be entitled to declare and give notice of such Default; or the collection of any default interest or late fees. Nothing herein however, shall limit or prohibit NL Companies from demanding and receiving payment from Prudential under and pursuant to the Multi-Party Agreement and pursue its rights and remedies thereunder in accordance with the terms of the Multi-Party Agreement.

(b) NL Companies agrees that so long as any of the Bank Loan Obligations remain outstanding, Administrative Agent is hereby irrevocably appointed agent for NL Companies under and pursuant to the Mortgage and NL Note and Administrative Agent is hereby authorized, permitted and empowered to take and/or perform any and all actions for, on behalf and in the name of NL Companies with respect to the Mortgage, NL Note, and the NL Loan Obligations with the same force and effect as if NL Companies had taken the same and NL Companies shall be bound by any and all such acts and actions and releases Administrative Agent and Banks from any and all claims and liability with respect to the same, except no release is hereby given for the willful misconduct by Administrative Agent or the willful misconduct of any of the Banks. Without limitation, the forgoing power and authority of Administrative Agent to act for and on behalf of NL Companies shall include the exercise of any approval or consent rights or options; the granting of any consents or approvals; the making of any determinations or elections; the extension of the Maturity Date (as defined in the NL Note) in accordance with the terms of the NL Note. NL Companies agrees that if the event the Bank Notes are extended for one (1) year as provided for therein, the Maturity Date of the NL Note shall be automatically extended for one (1) year, on a one time basis only and Administrative Agent and Banks have no power or authority to extend the Maturity Date of the NL Note beyond the one (1) year extension. NL Companies further acknowledges that it has executed and delivered the Power of Attorney as provided for in section 15 and Administrative Agent is authorized to act for and on behalf of NL Companies pursuant to the same.

(c) Nothing in this Agreement shall alter or modify NL Companies' right to exercise its rights under section 2 of the Multi-Party Agreement.

6. Responsibility of Administrative Agent and Banks.

(a) The rights granted to Administrative Agent on behalf of itself and the other Banks hereunder are solely for its protection and nothing herein contained shall impose on Administrative Agent any duties with respect to Borrower, NL Companies and/or the Property. Neither the Administrative Agent nor any of the Banks shall be liable to either the Borrower or NL Companies for (i) any failure or defect of title to the Property, (ii) any failure to perfect the lien of the Mortgage, (iii) any defect in any collateral realization or the exercise of any right or remedy by Administrative Agent or (iv) any other act, action, omission, matter or occurrence relating to the Property, the Mortgage, the NL Note, PRISA II or the Multi-Party Agreement.

(b) Neither the Administrative Agent nor any of the Banks is responsible for the sufficiency, validity or enforceability of the Mortgage or any other documents related thereto. The Administrative Agent shall not be deemed to be in a relation of trust or confidence with NL Companies by reason of this Agreement, and shall not owe any fiduciary, trust or other special duties to NL Companies by reason of this Agreement.

7. Administrative Agent's Freedom of Action. NL Companies agree that subject to the terms of the Bank Loan Documents, Administrative Agent on behalf of itself and the other Banks, may at any time and from time to time, without notice to or the consent of NL Companies, and without affecting the agreements herein made by NL Companies, do any one or more of the following in Administrative Agent's sole and absolute discretion:

(a) Extend, renew, modify, amend or waive any of the terms of any of the Bank Loan Documents, including, without limitation, any payment provisions under any of the Bank Loan Documents.

(b) Make such Protective Advances as Administrative Agent may deem appropriate (it being understood that neither Administrative Agent nor any of the Banks have in any way committed to make any such advance). The amount of any Protective Advance made by Administrative Agent shall be added to and shall increase the Bank Loan Obligations and shall be secured by the Bank Loan Documents, including the Mortgage, and the NL Loan Documents and the Subordinate Mortgage shall be subordinate to the same in all respects as provided for in this Agreement.

(c) Apply any sums received from Borrower, any guarantor, endorser, or cosigner, or from the disposition of any of the Property or any other collateral or security, to any indebtedness whatsoever owing from such Person or secured by the Property or such collateral or security, in such manner and order as Administrative Agent determines in its sole discretion, and regardless of whether such indebtedness is part of the Bank Loan Obligations, is secured, or is due and payable. Add or substitute, or take any action or omit to take any action which results in the release of any endorser, guarantor or any collateral or security.

(d) Make loans or advances to Borrower secured in whole or in part by the Mortgage or refrain from making any such loans or advances.

(e) Accept partial payments of, compromise or settle, refuse to enforce, or release all or any parties to, any or all of the Bank Loan Obligations.

(f) Settle, release (with or without receipt of consideration therefor, and whether by operation of law or otherwise), compound, compromise, collect or liquidate any of the Bank Loan Obligations in any manner permitted by applicable law.

(g) Accept, release (with or without receipt of consideration), waive, surrender, enforce, exchange, modify, impair or extend the time for the performance, discharge or payment of, any and all property of any kind securing any or all of the Bank Loan Obligations or any guaranty of any or all of the Bank Loan Obligations, or on which Banks at any time may have a lien, or refuse to enforce its rights or make any compromise or settlement or agreement therefor in respect of any or all of such property. Administrative Agent and none of the Lenders are under and shall not hereafter be under any obligation to marshal any assets in favor of NL Companies, or against or in payment of any or all of the NL Loan Obligations, and may proceed against any of the Property or any other collateral in such order and manner as it elects.

All such actions, rights and matters set forth in (a) through (g) above shall be senior in all respects to the NL Loan Obligations and the NL Loan Documents which shall automatically be subordinate to such actions, rights and matters set forth in (a) through (g) above. Third parties including title insurance companies insuring the priority of the Bank Loan Documents are hereby authorized to rely upon this provision as to the priority of such matters without requirement to confirm such senior position from NL Companies.

8 . No Transfer of NL Loan; Refinancing. NL Companies agree that they shall not sell, assign, pledge, encumber or otherwise transfer any portion of its interest in the NL Loan Documents without the prior written consent of Administrative Agent, such consent to be in Administrative Agent sole discretion, provided however, NL Companies shall be permitted to assign and transfer in whole the NL Loan Documents and the Multi-Party Agreement to: (i) any one or more of the Banks or an Affiliate of a Bank (as the term "Affiliate" is defined in the Loan Agreement) or (ii) a corporation or limited liability company which is "controlled" (as hereinafter defined) by either NL or NL EMS (an "NL Company Subsidiary"); or a corporation or limited liability company "controlling" (as hereinafter defined) either of NL or NL EMS (an "NL Company Parent"); or a corporation or limited liability company which is controlled by, controlling or under common "control" (as hereinafter defined) with, an NL Company Subsidiary or NL Company Parent, who shall be entitled to purchase the same, provided, in all cases, such assignment, transfer and sale as to the NL Documents shall be expressly under and subject to this Agreement and the assignee and transferee shall expressly assume this Agreement and, in the case of an assignee or transferee of the NL Loan Documents described in (ii) above, such assignee or transferee shall execute and deliver to Administrative Agent a Power of Attorney in the form attached hereto as Exhibit B. In addition, so long as any of the Bank Loan Obligations remains outstanding, any refinancing of the NL Loan Obligations shall be subject to Administrative Agent's prior written approval of the terms thereof and the refinancing lender, which approval may be granted or withheld by Administrative Agent in its sole and absolute discretion. For purposes of this section 8, the terms "controlled", "controlling" and "control" shall mean, as the context shall require, the ability to direct or cause the direction of the management and policies of such corporation or limited liability company by contract or otherwise.

9 . Representations, Warranties and Covenants of NL Companies. NL Companies hereby covenant, agree, warrant, represent, and certify to the Banks that:

(a) NL Companies have delivered to Administrative Agent true, correct and complete copies of the NL Loan Documents. NL Companies covenant and agree that the NL Note and the Subordinate Mortgage are the only NL Loan Documents and NL Companies shall not accept any other security for the NL Obligations other than the Mortgage and the Multi-Party Agreement.

(b) NL Companies are the owners and holders of the NL Loan Documents. None of the NL Loan Documents has been transferred, assigned or pledged by NL Companies.

(c) NL Companies acknowledge having received and reviewed copies of all of the Bank Loan Documents and NL Companies consent to and approve all of the provisions of each of the Bank Loan Documents and all other agreements including, without limitation, any escrow or disbursement agreements, between Borrower and Administrative Agent for the disbursement of the proceeds of the Bank Loan.

(d) This Agreement has been duly authorized by NL Companies, the persons executing, acknowledging, and delivering this Agreement on behalf of NL Companies are fully authorized to do so, and all of the terms and provisions of this Agreement are fully enforceable against NL Companies and their successors and assigns.

(e) The indebtedness evidenced by the NL Note is the only indebtedness secured by the Subordinate Mortgage and the only indebtedness due NL Companies by Borrower. There is no guarantee by any guarantor of the obligations under the NL Note or any of the other NL Loan Documents, except for the Multi-Party Agreement.

(f) To the knowledge of NL Companies, there currently exists no default or event of default of any nature under the terms and provisions of any of the NL Loan Documents, or any combination thereof, and no condition which, with the giving of notice and/or the passage of time, would result in

such an event of default.

(g) NL Companies agrees and covenants that copies of all notices, communications, or designations required or permitted under any of the NL Loan Documents shall be sent to Administrative Agent at the address specified in Section 19 hereof, or at such other address as Administrative Agent shall furnish to NL Companies in the manner provided in Section 19 hereof.

(h) Except as specifically provided for in the NL Note and this Agreement with respect to the automatic extension of the NL Note occurring simultaneous with the corresponding extension with respect to the Bank Notes, in no event shall the terms and provisions of any NL Loan Documents be modified, amended, renewed, or extended, unless Administrative Agent shall first consent in writing to such modification, amendment, renewal, or extension, which consent may be withheld in Administrative Agent's sole judgment.

(i) NL Companies acknowledges and understands that Administrative Agent and the Banks will rely upon the certification, warranties, representations, covenants, and agreements contained in this Agreement as a material consideration and inducement in making, extending or modifying the loan evidenced by the Bank Notes.

10. Dealings with Borrower.

(a) In making disbursements under any of the Bank Loan Documents, Administrative Agent and none of the other Banks have any duty to, nor have any represented that it or they will, see to the application of any proceeds by the Person or Persons to whom Administrative Agent disburses such proceeds. Any application or use of such proceeds for purposes other than those provided for in the Bank Loan Documents does not and shall not defeat the subordination herein made, in whole or in part.

(b) In making disbursements under any of the Bank Loan Documents, Administrative Agent may waive any and all conditions to a disbursement contained in the Bank Loan Documents. No such waiver shall defeat the subordination herein made, in whole or in part.

(c) The rights granted to Administrative Agent and the Banks hereunder are solely for its and their protection and nothing herein contained shall impose on Administrative Agent or any of the Banks any duties with respect to Borrower, NL Companies or any of the Environmental Remediation Work (as defined in the Loan Agreement).

11. Assignment of the Bank Loan Obligations. In accordance with the terms of the Bank Loan Documents and/or that certain Multi-Party Agreement by and among Administrative Agent and other parties, including Prudential (the "Bank Multi-Party Agreement"), the Banks may assign or transfer any or all of the Bank Loan Obligations and/or any interest therein or herein and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof and every immediate and successive assignee or transferee of any of the Bank Loan Obligations or of any interest therein or herein shall, to the extent of the interest of such assignee or transferee in the Bank Loan Obligations, be entitled to the benefits of this Agreement to the same extent as if such assignee or transferee were the Banks; provided, however, that, unless Administrative Agent shall otherwise consent in writing, Administrative Agent shall have an unimpaired right, prior and superior to that of any such assignee or transferee, to enforce this Agreement, for the benefit of Administrative Agent on behalf of itself and the other Banks, as to those portions of the Bank Loan Obligations which neither Administrative Agent nor any other Bank has assigned or transferred.

12. Bankruptcy of Borrower. Upon any distribution of the assets or properties of Borrower or upon any dissolution, winding up, liquidation, bankruptcy or reorganization involving Borrower (whether in bankruptcy, insolvency or receivership proceedings or any other Proceeding, or upon an assignment for the benefit of creditors or otherwise):

(a) Administrative Agent shall first be entitled to receive payment in full of the principal of and interest on the Bank Loan Obligations and all fees and any other payments (including post-petition interest and all costs and expenses) due pursuant to the terms of the Bank Loan Documents, before NL Companies are entitled to receive any payment on account of the NL Loan Obligations; and

(b) any payment or distribution of the assets or properties of Borrower of any kind or character, whether in cash, property, or securities, to which Banks would be entitled except for the provisions of this Agreement, shall be paid by the debtor in possession, liquidating trustee or agent or other person making such payment or distribution directly to Administrative Agent; and

(c) in the event that, notwithstanding the foregoing, any payment or distribution of the assets or properties of Borrower of any kind or character, whether in cash, property, or securities, shall be received by NL Companies on account of principal, interest, fees, or other amounts on or with respect to the NL Loan Obligations before all of the Bank Loan Obligations are paid in full, such payments or distribution shall be received and held in trust for and shall be paid over to Administrative Agent forthwith, for application to the payment of the Bank Loan Obligations until all such Bank Loan Obligations shall have been paid in full in accordance with the terms of the Bank Loan Documents.

To effectuate the foregoing, NL Companies do hereby irrevocably assign to Administrative Agent all of NL Companies' rights as a secured or unsecured creditor in any Proceeding and authorizes Administrative Agent to take, or refrain from taking, any action to assert, enforce, modify, waive, release or extend NL Companies' lien and/or claim in such Proceeding, including but not limited to (a) filing a proof of claim arising out of the NL Loan Obligations, (b) voting or refraining from voting claims arising from the NL Loan Obligations, either in Administrative Agent's name or in the name of Administrative Agent as attorney-in-fact of NL Companies, (c) accepting or rejecting any payment or distribution made with respect to any claim arising from the NL Loan Obligations and applying such payment and distribution to payment of Banks' claim in accordance with the terms hereof, and (d) taking any and all actions and executing any and all instruments necessary to effectuate the foregoing and, among other things, to establish Administrative Agent's entitlement to assert NL Companies' claim in such Proceeding.

13. Additional Waivers and Agreements.

(a) NL Companies waives the right to require Administrative Agent or the Banks to proceed against Borrower or any other Person liable on any Bank Loan Obligation, to proceed against or exhaust any security held from Borrower or other Person, or to pursue any other remedy in Administrative Agent's or the Bank's power whatsoever. Administrative Agent on behalf of itself and the other Banks may, at its election, exercise any right or remedy the Banks may have against Borrower or any security held by Administrative Agent on behalf of the Banks, including, without limitation, the right to foreclose upon any such security by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, without affecting or impairing in any way the obligations of NL Companies hereunder, except to the extent the Bank Loan Obligations have been paid, and NL Companies waives any defense arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other

right or remedy against Borrower or any such security, whether resulting from such election by Administrative Agent or otherwise. NL Companies waives any defense arising by reason of any disability or other defense of Borrower or by reason of the cessation from any cause whatsoever (including, without limitation, any intervention or omission by Administrative Agent on behalf of itself and the other Banks) of the liability, either in whole or in part, of Borrower to the Banks for the Bank Loan Obligations.

(b) NL Companies assumes all responsibility for keeping itself informed as to the condition (financial or otherwise), business, assets and operations of Borrower, Prudential, the PRISA II Account, the condition of the Property and all other circumstances that might in any way affect NL Companies' risk under this Agreement and/or the Multi-Party Agreement (including, without limitation, the risk of nonpayment of the NL Loan Obligations, the Bank Loan Obligations and/or the Loan Pay-off Capital Contribution or any sum due the Banks from Prudential under the Bank Multi-Party Agreement), and neither Administrative Agent nor any of the Banks shall have any duty or obligation whatsoever to obtain or disclose to NL Companies any information or documents relative to such condition, business, assets, or operations of Borrower, Prudential, the PRISA II Account or such risk, whether acquired by Administrative Agent or any of the other Banks in the course of its relationship with Borrower, Prudential, the PRISA II Account or otherwise.

(c) NL Companies acknowledges that neither Administrative Agent nor any other Bank has made any warranties or representations to it with respect to the due execution, legality, validity, completeness or enforceability of the Bank Loan Documents (including, without limitation, the Multi-Party Agreement), the NL Loan Documents or the collectability of the Secured Obligations evidenced thereby or secured by the Mortgage and/or the Loan Pay-off Capital Contribution.

(d) NL Companies unconditionally and irrevocably authorizes Administrative Agent, upon the occurrence of and during the continuance of any default or event of default under the Bank Loan Documents, at its sole option, without affecting any obligations of NL Companies hereunder, the enforceability of this Agreement, or the validity or enforceability of the lien of the Mortgage, to foreclose the Mortgage or other instruments securing the Bank Loan Obligations by judicial or nonjudicial sale. NL Companies expressly, unconditionally and irrevocably waives any defenses to the enforcement of this Agreement or any liens created hereby, granted to or otherwise held by Administrative Agent on behalf of itself and the other Banks, or to the recovery by Administrative Agent on behalf of itself and the other Banks from Borrower or any other Person liable therefor of any deficiency after a judicial or nonjudicial foreclosure or sale, even though such a foreclosure or sale may impair the subrogation rights of NL Companies and may preclude NL Companies from obtaining reimbursement or contribution from Borrower or any other Person.

(e) NL Companies hereby expressly, unconditionally and irrevocably waives all rights (a) under Sections 361 through 365, 502(e) and 509 of the Bankruptcy Code (or any similar sections hereafter in effect under any other Federal or state laws or legal or equitable principles relating to bankruptcy, insolvency, reorganizations, liquidations or otherwise for the relief of debtors or protection of creditors), and (b) to seek or obtain conversion to a different type of proceeding or to seek or obtain dismissal of a proceeding, in each case in relation to a bankruptcy, reorganization, insolvency or other proceeding under similar laws with respect to Borrower. Without limiting the generality of the foregoing, NL Companies hereby expressly, unconditionally and irrevocably waives (i) the right to seek to provide credit (secured or otherwise) to Borrower in any way under Section 364 of the Bankruptcy Code unless the same is acceptable to Administrative Agent in its sole and absolute discretion; (ii) the right to take a position inconsistent with or contrary to that of Administrative Agent (including a position by Administrative Agent to take no action) if Borrower seeks to use, sell or lease the Property or any other collateral for the Secured Obligations (or the proceeds or products thereof) under Section 363 of the Bankruptcy Code; (iii) the right to receive any collateral security (including any "super priority" or equal or "priming" or replacement lien) for any NL Loan Obligation unless Administrative Agent has collateral security acceptable to Administrative Agent in its sole and absolute discretion to secure all Bank Loan Obligations (in the same collateral to the extent collateral is involved); and (iv) the right to seek adequate protection in respect of Property (or the proceeds or products thereof) under Section 363 or 361 of the Bankruptcy Code.

(f) If any of the Bank Loan Obligations or any lien securing same, should be invalidated, avoided or set aside, the subordination provided for herein nevertheless shall continue in full force and effect and, as between Administrative Agent and NL Companies, shall be and be deemed to remain in full force and effect.

14. Continuing Benefits. No right of either Administrative Agent or the Banks or any present or future holder of the Bank Loan Obligations to enforce the provisions of this Agreement shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of Borrower or any other party, whether borrower, guarantor or otherwise, or by any act or failure to act in good faith, by the holder of the Bank Loan Obligations, or by any noncompliance by Borrower or any borrower, guarantor or otherwise with the terms of the Bank Notes or any other of the Bank Loan Documents regardless of any knowledge thereof which such holder may have or be otherwise charged with.

15. Power of Attorney. NL Companies, by its execution of this Agreement, agrees to grant to Administrative Agent a power of attorney and in furtherance of the foregoing to execute the form of Power of Attorney attached hereto as **Exhibit B** (the "**Power of Attorney**"). NL Companies hereby authorizes and expressly directs Administrative Agent to take such action as may be necessary or appropriate, in Administrative Agent's sole discretion, from time to time to effectuate the terms of this Agreement and hereby appoints Administrative Agent its attorney-in-fact for such purpose, including, without limitation, in the event of any dissolution, winding up, liquidation, or reorganization of Borrower (whether in bankruptcy, insolvency, or receivership proceedings or upon an assignment for the benefit of creditors or otherwise) tending toward liquidation of the business or the assets of Borrower, the immediate filing of a claim for the unpaid balance of any of the NL Loan Obligations in the form required in such proceedings, the voting of such claims during the pendency of such proceedings, and the taking of all steps necessary to cause such claim to be approved.

16. No Waiver; Modification. Neither this Agreement nor the transactions herein contemplated shall operate to waive the enforcement after the date hereof of any due on sale provision, due on encumbrance provision, change-in-ownership of Borrower provision, or any other accelerating transfer provision contained in the Bank Loan Documents. No delay on the part of Administrative Agent on behalf of itself and the other Banks in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by Administrative Agent on behalf of itself and the other Banks of any right or remedy shall preclude other or further exercise thereof or the exercise of any right or remedy; nor shall any modification or waiver of any of the provisions of this Agreement be binding upon Administrative Agent or the other Banks except as expressly set forth in a writing duly signed and delivered by or on behalf of Administrative Agent. This Agreement may be executed in any number of counterparts.

17. Borrower's Waiver. Borrower hereby waives (a) notice of acceptance of this Agreement by Administrative Agent and (b) all diligence in the collection or protection of or realization upon the Bank Loan Obligations or the collateral therefor.

18. Legend. NL Companies agrees to cause all instruments evidencing indebtedness or other obligations of Borrower to NL Companies which are or may be subject to the provisions of this Agreement to be subject to an appropriate legend to the effect that such indebtedness or other obligation evidenced by such instrument is subject to the provisions of this Agreement, and NL Companies will make appropriate entries in the books and records of NL Companies to indicate that the NL Loan Obligations are subject to this Agreement.

19 . Notices. Any notice which a party is required or may desire to give the other shall be in writing and may be sent by facsimile, personal delivery or by mail (either (i) by United States registered or certified mail, return receipt requested, postage prepaid, or (ii) by Federal Express or similar generally recognized overnight carrier regularly providing proof of delivery), addressed as follows (subject to the right of a party to designate a different address for itself by notice similarly given at least fifteen (15) days in advance):

If to NL Companies:
NL Environmental Management Services, Inc.
NL Industries, Inc.
5430 LBJ Freeway
Suite 1700
Dallas, TX 75240
Attention: General Counsel

with a copy to:

Christopher R. Gibson, Esq.
Archer & Greiner, P.C.
One Centennial Square
Haddonfield, NJ 08033

If to Administrative Agent:

Bank of America, N.A.
4 Penn Center, Suite 1100
1600 John F. Kennedy Blvd.
Philadelphia, PA 19103
Attn: David S. Ross, SVP
Fax No.: 267-675-0148

with copy to:

Buchanan, Ingersoll & Rooney PC
1835 Market Street
14th Floor
Philadelphia, PA 19103
Attn: Frederick H. Masters, Esq.
Fax No.: 215-665-8760

If to Borrower:

c/o O'Neill Properties Group, L.P.
2701 Renaissance Boulevard, 4th Floor
King of Prussia, Pennsylvania 19406
Attn: Richard Heany
Fax No.: (610) 337-5599

with copy to:

c/o Macartney, Mitchell & Campbell, LLC
2701 Renaissance Boulevard, 4th Floor
King of Prussia, Pennsylvania 19406
Attn: Sean E. Mitchell, Esq.
Fax No. 215-754-4217

and with a copy of all notices to Prudential and its counsel:

Prudential Real Estate Investors
8 Campus Drive
Parsippany, New Jersey 07054
Attn: Steven B. LaBold
Fax No. 973-734-1411

with a copy to:

PAMG-RE Law Department
8 Campus Drive, 4th Floor
Arbor Circle South
Parsippany, New Jersey 07054
Attn: Law Department
Fax No. 973-683-1788

with a copy to:

Goodwin|Procter LLP
Exchange Place
Boston, Massachusetts 02109
Attn: Minta E. Kay, Esq.
Fax No. 617-227-8591

20. No Modification to Bank Loan Documents. This Agreement is not intended to modify and shall not be construed to modify any term or provision of the Bank Notes, the Mortgage, the Bank Multi-Party Agreement, the other Bank Loan Documents or any other documents or instruments evidencing, securing, guaranteeing the payment of, or otherwise relating to the indebtedness evidenced by the Bank Notes or secured by the Mortgage, or both.

21. Further Assurances. So long as any of the Bank Loan Obligations remain outstanding, NL Companies, its successors or assigns, or any other legal holder of the NL Note, as the case may be, shall execute, acknowledge, and deliver upon the demand of Administrative Agent, at any time or times, any and all further documents or instruments in recordable form for the purpose of further confirming the agreements herein set forth.

22. Estoppel Certificate. NL Companies hereby agrees that within ten (10) days after written demand of Administrative Agent, it shall execute, acknowledge and deliver a certification setting forth the total amount of indebtedness owed to it which shall be then secured by any portion of the Property, and any and all such certifications shall be conclusive as to the matters set forth therein, and shall be fully binding upon NL Companies, its successors and assigns. Notwithstanding the foregoing, NL Companies shall not be obligated to give such certification more frequently than once every other calendar month.

23. Governing Law/Successors and Assigns/Joint and Several Liability/Counterparts. This Agreement shall be governed by the laws of the State of New Jersey (without reference to its conflict of laws principles). This Agreement shall be binding on and inure to the benefit of the parties hereto and their respective successors and assigns. NL and NL EMS acknowledge and agree that they have executed this Agreement jointly and severally and that the term "NL Companies" refers to each individually and to them collectively and as such jointly and severally. This Agreement may be executed in separate counterpart signature pages.

24. Forum. Administrative Agent, on behalf of itself and the other Banks, and NL Companies each hereby irrevocably submits generally and unconditionally to the jurisdiction of any state court or any United States federal court sitting in the State of New Jersey, over any suit, action or proceeding arising out of or relating to this Agreement or the Bank Loan Obligations or the NL Loan Obligations. Administrative Agent, on behalf of itself and the other Banks, and NL Companies each hereby irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum.

25. WAIVER OF JURY TRIAL. ADMINISTRATIVE AGENT, ON BEHALF OF ITSELF AND THE OTHER BANKS, AND NL COMPANIES WAIVE TRIAL BY JURY IN RESPECT OF ANY CLAIM, COUNTERCLAIM, ACTION OR CAUSE OF ACTION RELATING TO OR ARISING OUT OF THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY ADMINISTRATIVE AGENT AND NL COMPANIES AND

ADMINISTRATIVE AGENT AND NL COMPANIES HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT. ADMINISTRATIVE AGENT AND NL COMPANIES ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION 25 IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. ADMINISTRATIVE AGENT AND NL COMPANIES EACH FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

26. Reinstated and Amended Settlement Agreement. Borrower, NL Companies, Sayreville Economic and Redevelopment Agency and County of Middlesex are all parties to that certain Reinstated and Amended Settlement Agreement and Release, dated as of June 26, 2008, as amended by that certain Amendment to "Reinstated and Amended Settlement Agreement and Release dated September 25, 2008 (the "Four Party Agreement"). Nothing in this Agreement is intended to modify or amend the Four Party Agreement.

SIGNATURES ON FOLLOWING PAGE

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first above written.

NL INDUSTRIES, INC., a New Jersey corporation

By: /s/ Robert D. Graham
Name: Robert D. Graham
Title: Vice President & General Counsel

NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., a New Jersey corporation

By: /s/ Robert D. Graham
Name: Robert D. Graham
Title: President

BANK OF AMERICA, N.A., a national banking association

By: /s/ Unrecognized Signature
Name:
Title:

[Signature Page - Intercreditor Agreement]

NOTARY ACKNOWLEDGEMENTS

STATE OF TEXAS, COUNTY OF DALLAS, TO WIT:

I HEREBY CERTIFY, that on this 13th day of October, 2008, before me, the undersigned Notary Public of said State, personally appeared Robert D. Graham, who acknowledged himself to be Vice President & General Counsel of NL INDUSTRIES, INC., a New Jersey corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Vice President & General Counsel of said corporation by signing the name of the corporation by himself as Robert D. Graham, Vice President & General Counsel.

WITNESS my hand and Notarial Seal.

s/ Amanda K. Beer /
Amanda K. Beer, Notary Public

My Commission Expires: July 22, 2010

STATE OF TEXAS, COUNTY OF DALLAS, TO WIT:

I HEREBY CERTIFY, that on this 13th day of October, 2008, before me, the undersigned Notary Public of said State, personally appeared Robert D. Graham, who acknowledged himself to be the President of NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., a New Jersey corporation, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized President of said corporation by signing the name of the corporation by himself as Robert D. Graham, President.

WITNESS my hand and Notarial Seal.

s/ Amanda K. Beer /
Amanda K. Beer, Notary Public

My Commission Expires: July 22, 2010

COMMONWEALTH OF PENNSYLVANIA, COUNTY OF PHILADELPHIA, TO WIT:

I HEREBY CERTIFY, that on this 14th day of October, 2008, before me, the undersigned Notary Public of said State, personally appeared Kevin M. Krivda, who acknowledged himself to be an Officer/AVP of Bank of America, N.A., a national banking association, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized officer of said banking association by signing the name of the banking association by himself as Senior Vice President.

WITNESS my hand and Notarial Seal.

/s/ Joanne Kane
Joanne kane, Notary Public

My Commission Expires: August 8, 2011

COMMONWEALTH OF PENNSYLVANIA, COUNTY OF MONTGOMERY, TO WIT:

I HEREBY CERTIFY, that on this 15th day of October, 2008, before me, the undersigned Notary Public of said State, personally appeared Jon Robinson, who acknowledged himself to be the Vice President of Sayreville Seaport Associates Acquisition Company, LLC, a Delaware limited liability company and the General Partner of Sayreville Seaport Associates, L.P., a Delaware limited partnership, known to me, (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized Vice President of said limited liability company by signing the name of the limited liability company by himself as Vice President.

WITNESS my hand and Notarial Seal.

/s/ Harry R. Reichner

Harry R. Reicher, Notary Public

My Commission Expires: November 13, 2010

COMMONWEALTH OF PENNSYLVANIA, COUNTY OF MONTGOMERY, TO WIT:

I HEREBY CERTIFY, that on this 15th day of October, 2008, before me, the undersigned Notary Public of said State, personally appeared J. BRIAN O'NEILL, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained by signing the same by himself.

WITNESS my hand and Notarial Seal.

/s/ Harry R. Reichner
Harry R. Reicher, Notary Public

My Commission Expires: November 13, 2010

Exhibit A

Property Description

Lots 1, 1.01 and 4 in Block 257.01, and Lot 1 in Block 257.02 (Premises "A", "B" & "E")

N/F Sayreville Economic Redevelopment Agency

Borough of Sayreville

Middlesex County, New Jersey

All that certain tract or parcel of land located in the Borough of Sayreville, County of Middlesex, State of New Jersey, bounded and described as follows:

Beginning at a point, said point being the intersection of the northwesterly line of Lot 20.01, Block 62.02, N/F Conrail - Raritan River Railroad, Keamy Branch, with the northeasterly line of Lot 30.11, Block 257.01, N/F Middlesex County Utilities Authority, and from said beginning point running:

1. Along said northeasterly line of Lot 30.11, Block 257.01, and continuing along the northeasterly line of Lots 1.03 and 3.01, Block 257.01, N/F Middlesex County Utilities Authority, North 39° 18' 29" West, a distance of 638.86 feet to a point in the southeasterly line of Lot 3.01, Block 257.01, thence
2. Along said southeasterly line of Lot 3.01, Block 257.01, North 29° 46' 18" East, a distance of 493.75 feet to a point in the northeasterly line of Lot 3.01, Block 257.01, thence
3. Along said northeasterly line of Lot 3.01, Block 257.01, North 60° 13' 42" West, a distance of 65.00 feet to a point in the Pierhead/Bulkhead line as established by the Army Corps. of Engineers by a map entitled "Pierhead and Bulkhead Lines, Raritan Bay and River, N.J., Cheesquake Creek to Edgars Dock , dated August 1934, revised through April 1957", thence

Along said Pierhead/Bulkhead line as established by the Army Corps. of Engineers, the following three (3) courses:

4. North 29° 46' 18" East, a distance of 718.29 feet to a point, thence
5. North 17° 51' 35" East, a distance of 2,000.18 feet to a point, thence
6. North 39° 30' 18" East, a distance of 131.77 feet to a point in the westerly line of a riparian grant to National Lead Company from the State of New Jersey, Board of Commerce and Navigation, Liber N-2, Page 135 etc., thence

Along said westerly and northerly line of a riparian grant to National Lead Company from the State of New Jersey, Board of Commerce and Navigation, Liber N-2, Page 135 etc., the following two (2) courses:

7. North 18° 27' 18" East, a distance of 25.78 feet to a point, thence
8. South 71° 32' 42" East, a distance of 9.92 feet to a point in the aforementioned Pierhead/Bulkhead line as established by the Army Corps. of Engineers, thence
9. Along said Pierhead/Bulkhead line as established by the Army Corps. of Engineers, North 39° 30' 18" East, a distance of 533.50 feet to a point, thence
10. South 64° 00' 42" East, a distance of 150.26 feet to a point in a former mean high • water line of the Raritan River, said lands being lands "now or formerly below mean high water" as mapped and claimed by the State of New Jersey, thence
11. Along said former mean high water line of the Raritan River, said lands being lands "now or formerly below mean high water" as mapped and claimed by the State of New Jersey, the various courses thereof, a distance of 3,253 feet, more or less, to a point in the westerly right-of-way line of the New Jersey Garden State Parkway, said point being 3,052.46 feet on a bearing of North 57° 54' 30" East from the terminus of the prior course, thence

Along said westerly and northwesterly right-of-way line of the New Jersey Turnpike Authority, Garden State Parkway, the following fourteen (14) courses:

12. South 02° 39' 35" West, a distance of 828.14 feet to a point of curvature, thence
13. In a general southerly direction on the arc of a curve to the right having a radius of 65.00 feet and an arc length of 44.47 feet, chord bearing and distance of South 22° 15' 36" West, 43.61 feet, to a point of tangency, thence
14. South 41° 51' 37" West, a distance of 134.53 feet to a point of curvature, thence
15. In a general southerly direction on the arc of a curve to the left having a radius of 135.00 feet and an arc length of 160.03 feet, chord bearing and distance of South 07° 54' 05" West, 150.82 feet, to a point of reverse curvature, thence
16. In a general southerly direction on the arc of a curve to the right having a radius of 365.00 feet and an arc length of 154.39 feet, chord bearing and distance of South 13° 56' 22" East, 153.24 feet, to a point of tangency, thence .
17. South 01° 49' 18" East, a distance of 569.54 feet to a point, thence

18. South 05° 31' 48" East, a distance of 415.45 feet to a point, thence
19. South 03° 52' 32" East, a distance of 301.38 feet to a point, thence
20. South 08° 11' 22" East, a distance of 297.33 feet to a point of curvature; thence
21. In a general southerly direction on the arc of a curve to the right having a radius of 465.00 feet and an arc length of 198.15 feet, chord bearing and distance of South 04° 01' 06" West, 196.66 feet, to a point of tangency, thence
22. South 16° 13' 35" West, a distance of 171.37 feet to a point, thence
23. South 09° 19' 46" West, a distance of 240.48 feet to a point, thence
24. South 14° 39' 43" West, a distance of 305.60 feet to a point, thence
25. South 24° 02' 00" West, a distance of 196.24 feet to a point in the northeasterly right-of-way line of Chevalier Avenue, 50-foot wide right-of-way, thence

Along said northeasterly right-of-way line of Chevalier Avenue, the following three (3) courses:

26. North 68° 06' 10" West, a distance of 9.09 feet to a point, thence
27. North 62° 39' 10" West, a distance of 1,399.81 feet to a point, thence 3
28. North 38° 07' 00" West, a distance of 176.85 feet to a point in southeasterly line of Lot 22, Block 62.02, N/F Conrail - Raritan River Railroad, Kearny Branch, thence

Along said southeasterly, southwesterly and northwesterly lines of Lot 22, Block 62.02, the following three (3) courses:

29. North 27° 20' 51" East, a distance of 223.24 feet to a point, said point being witnessed by an iron pipe found 0.6-foot southwest of the herein described point, thence
30. North 62° 38' 23" West, a distance of 50.00 feet to a point, said point being witnessed by a railroad spike found 0.5-foot southwest of the herein described point, thence
31. South 27° 20' 51" West, a distance of 17.13 feet to a point in the northeasterly line of Lot 1.01, Block 257.02, N/F Borough of Sayreville, thence
32. Along said northeasterly line of Lot 1.01, Block 257.02, North 62° 39' 09" West, a distance of 124.99 feet to a point in the northerly terminus of Chevalier Avenue; thence
33. Along said northerly terminus of Chevalier Avenue, North 89° 45' 21" West, a distance of 56.17 feet to a point in the westerly right-of-way line of Chevalier Avenue, thence
34. Along said westerly right-of-way line of Chevalier Avenue, in a general southerly direction on the arc of a curve to the right having a radius of 493.34 feet and an arc length of 279.12 feet, chord bearing and distance of South 12° 06' 04" East, 275.41 feet, to a point on the aforementioned northwesterly line of Lot 20, Block 62.02, thence
35. Along said northwesterly line of Lot 20, Block 62.02, South 27° 20' 51" West, a distance of 999.59 feet to a point of curvature, thence
36. In a general southwesterly direction on the arc of a curve to the right having a radius of 930.37 feet and an arc length of 379.07 feet, chord bearing and distance of South 39° 01' 11" West, 376.45 feet, to a point on the northeasterly line of Lot 30.12, Block 257.01, N/F Middlesex County Utilities Authority, thence
37. Along said northeasterly line of Lot 30.12, Block 257.01, North 39° .18' 19" West, a distance of 12.40 feet to a point in the easterly line of Lot 30.12, Block 257.01, thence
38. Along said easterly line of Lot 30.12, Block 257.01, in part, and along the easterly line of Lot 1.10, Block 257.01, N/F Middlesex County Utilities Authority, North 11° 10' 21" East, a distance of 311.88 feet to a point in the northerly line of Lot 1.10, Block 257.01, thence
39. Along said northerly line of Lot 1.10, Block 257.01, North 78° 49' 39" West, a distance of 40.00 feet to a point in the westerly line of Lot 1.10, Block 257.01, thence
40. Along said westerly line of Lot 1.10, Block 257.01, South 11° 10' 21" West, a distance of 332.70 feet to a point in the northwesterly line of Lot 30.12, Block 257.01, thence
41. Along said northwesterly line of Lot 30.12, Block 257.01, South 50° 41' 31" West, a distance of 101.14 feet to a point in the southwesterly line of Lot 30.12, Block 257.01, thence
42. Along said southwesterly line of Lot 30.12, Block 257.01, South 39° 18' 29" East, a distance of 30.00 feet to a point in the northwesterly line of Lot 20, Block 62.02, said point being witnessed by a concrete monument found, thence
43. Along said northwesterly line of Lot 20, Block 62.02, and continuing along the northwesterly line of Lot 20.01, Block 62.02, N/F Conrail - Raritan River Railroad, Kearny Branch, South 50° 41' 31" West, a distance of 1,840.00 feet to the point and place of beginning.

Said description of Lots 1, 1.01 and 4 in Block 257.01 and Lot 1 in Block 257.02 containing 10,973,162 Square Feet or 251.909 Acres, more or less. Said described lands being known as all of Lots 1, 1.01 and 4, Block 257.01, and Lot 1, Block 257.02, as shown on the official Tax Map of the Borough of Sayreville.

Excepting and excluding any and all lands "now or formerly below mean high water" as mapped and claimed by the State of New Jersey and not previously conveyed to National Lead or a predecessor in title immediately adjacent to or through the described parcel.

Said description of Lots 1, 1.01 and 4 in Block 257.01 and Lot 1 in Block 257.02 having been drawn in accordance with a map entitled "ALTA/ACSM Survey of Lots 1, 1.01, 4, 5, 6, Block 257.01, Lot 1, Block 257.02, Lot 1, Block 275.02, and Lot 3.04, Block 257, prepared for Sayreville Economic Redevelopment Agency, Situated in the Borough of Sayreville, Middlesex County, New Jersey", prepared by CME. Associates, dated October 09, 2008.

Lot 5 in Block 257.01 (Premises "C")
N/F Sayreville Economic Redevelopment Agency
Borough of Sayreville
Middlesex County, New Jersey

All that certain tract or parcel of land located in the Borough of Sayreville, County of Middlesex, State of New Jersey, bounded and described as follows:

Beginning at a point, said point being the intersection of the northwesterly line of Lot 20.01, Block 62.02, lands N/F Conrail - Raritan River Railroad, Kearny Branch, with the southwesterly line of Lot 30.11, Block 257.01, N/F Middlesex County Utilities Authority, and from said beginning point running:

Along the aforementioned northwesterly line of Lot 20.01, Block 62.02, the following two (2) courses:

1. South 50° 41' 31" West, a distance of 183.30 feet to a point of curvature, thence
2. In a general southwesterly direction on the arc of a curve to the left having a radius of 1,457.69 feet and an arc length of 382.90 feet, chord bearing and distance of South 43° 10'00" West, 381.80 feet, to a point on the northwesterly line of Lot 30.10, Block 257.01, N/F Middlesex County Utilities Authority, thence
3. Along said northwesterly line of Lot 30.10, Block 257.01, and continuing along the northwesterly line of Lot 1.07, Block 257.01, N/F Middlesex County Utilities Authority, along a non-tangent line, South 50° 41' 31" West, a distance of 448.83 feet to a point of curvature, thence

Along the aforementioned northwesterly and westerly lines of Lot 1.07, Block 257.01, the following two (2) courses:

4. In a general southwesterly direction on the arc of a curve to the left having a radius of 286.52 feet and an arc length of 180.03 feet, chord bearing and distance of South 32° 41' 31" West, 177.08 feet, to a point of tangency, thence
5. South 14° 41' 31" West, a distance of 171.76 feet to a point in the northeasterly line of Lot 3.01, Block 256, N/F Sayreville Economic Redevelopment Agency, thence

Along said northeasterly line of Lot 3.01, Block 256, the following two (2) courses:

6. North 65° 23' 04" West, a distance of 52.98 feet to a point, thence
7. North 54° 04' 00" West, a distance of 385.91 feet to a point in the "Pierhead and Bulkhead Line" as established by the Army Corps. of Engineers on a map entitled "Pierhead and Bulkhead Lines, Raritan Bay and River, N.J., Cheesequake Creek to Edgars Dock", dated August 1934, thence

Along said "Pierhead and Bulkhead Line" as established by the Army Corps. of Engineers, the following two (2) courses:

8. North 35° 44' 18" East, a distance of 786.54 feet to a point, thence
9. North 29° 46' 18" East, a distance of 436.24 feet to a point in the southwesterly line of Lot 3.01, Block 257.01, N/F Middlesex County Utilities Authority, thence

Along said southwesterly and southeasterly lines of Lot 3.01, Block 257.01, and the following two (2) courses:

10. South 60° 13' 42" East, a distance of 50.00 feet to a point, thence
11. North 29° 46' 18" East, a distance of 272.31 feet to a point in the aforementioned southwesterly line of Lot 3.01, Block 257.01, thence
12. Along said southwesterly line of Lots 3.01, 1.03 and 30.11, Block 257.01, N/F Middlesex County Utilities Authority, South 39° 18' 29" East, a distance of 624.34 feet to the point and place of beginning, said point being witnessed by an iron rebar found 4.1' southwest of the herein described point.

Said description of Lot 5 in Block 257.01 containing 661,978 Square Feet or 15.197 Acres, more or less. Said described lands being known as all of Lot 5, Block 257.01, as shown on the official Tax Map of the Borough of Sayreville.

Excepting and excluding any and all lands "now or formerly below mean high water" as mapped and claimed by the State of New Jersey and not previously conveyed to National Lead or a predecessor in title immediately adjacent to or through the described parcel.

Said description of Lot 5 in Block 257.01 having been drawn in accordance with a map entitled "ALTA/ACSM Survey of Lots 1, 1.01, 4, 5, 6, Block 257.01, Lot 1, Block 257.02, Lot 1, Block 275.02, and Lot 3.04, Block 257, prepared for Sayreville Economic Redevelopment Agency, Situated in the Borough of Sayreville, Middlesex County, New Jersey", prepared by CME Associates, dated October 09, 2008.

Lot 1 in Block 275.02 (Premises "F")
N/F Sayreville Economic Redevelopment Agency
Borough of Sayreville
Middlesex County, New Jersey

All that certain tract or parcel of land located in the Borough of Sayreville, County of Middlesex, State of New Jersey, bounded and described as follows:

Beginning at a point, said point being the intersection of the easterly line of Lot 2, Block 275.02, N/F New Jersey Turnpike Authority, with the northeasterly right-of-way line of Chevalier Avenue, 50-foot wide right-of-way, and from said beginning point running:

1. Along the aforementioned easterly line of Lot 2, Block 275.02, North $18^{\circ} 41' 11''$ East, a distance of 200.00 feet to a point, said point being witnessed by a concrete monument found 2.4-feet east of the herein described point, thence

Along the lands N/F New Jersey State Turnpike Authority, Garden State Parkway, the following two (2) courses:

2. South $71^{\circ} 18' 49''$ East, a distance of 350.00 feet to a point, thence
3. South $18^{\circ} 41' 11''$ West, a distance of 172.00 feet to a point in the northerly right-of-way line of Chevalier Avenue, thence
4. Along said northerly right-of-way line of Chevalier Avenue, in a general westerly direction on the arc of a curve to the right having a radius of 534.22 feet and an arc length of 227.14 feet, chord bearing and distance of North $80^{\circ} 17' 00''$ West, 225.44 feet, to a point of tangency, thence
5. North $68^{\circ} 06' 10''$ West, a distance of 127.52 feet to the point and place of beginning.

Said description of Lot 1 in Block 275.02 containing 69,944 Square Feet or 1.606 Acres, more or less. Said described lands being known as all of Lot 1, Block 275.02, as shown on the official Tax Map of the Borough of Sayreville.

Said description of Lot 1 in Block 275.02 having been drawn in accordance with certain map entitled "ALTA/ACSM Survey of Lots 1, 1.01, 4, 5, 6, Block 257.01, Lot 1, Block 257.02, Lot 1, Block 275.02, and Lot 3.04, Block 257, prepared for Sayreville Economic Redevelopment Agency, Situated in the Borough of Sayreville, Middlesex County, New Jersey", prepared by CME Associates, dated October 09, 2008

Lot 6 in Block 257.01 (Premises "D")
N/F Sayreville Economic Redevelopment Agency
Borough of Sayreville
Middlesex County, New Jersey

All that certain tract or parcel of land located in the Borough of Sayreville, County of Middlesex, State of New Jersey, bounded and described as follows:

Beginning at a point, said point being the intersection of the westerly line of Lot 20.01, Block 62.02, lands N/F Conrail Raritan River Railroad - Keamy Branch, with the northerly line of Lot 3, Block 256, N/F Sayreville Economic Redevelopment Agency, and from said beginning point running:

1. Along the aforementioned northerly line of Lot 3, Block 256; South $71^{\circ} 36' 56''$ West, a distance of 54.81 feet to a point in the northeasterly line of Lot 3.01, Block 25.6, N/F Sayreville Economic Redevelopment Agency, said point being witnessed by a • concrete monument found 0.4-foot southeast of the herein described point, thence
2. Along the aforementioned northeasterly line of Lot 3.01, Block 256, North $65^{\circ} 23' 04''$ West, a distance of 89.38 feet to a point in the easterly line of Lot 1.07, Block 257.01, N/F Middlesex County Utilities Authority, thence

Along said easterly and southeasterly lines of Lot 1.07, Block 257.01, the following two (2) courses:

3. North $14^{\circ} 41' 31''$ East, a distance of 189.25 feet to a point of curvature, thence
4. In a general northeasterly direction on the arc of a curve to the right having a radius of 186.52 feet and an arc length of 117.19 feet, chord bearing and distance of North $32^{\circ} 41' 31''$ East, 115.28 feet, to a point of tangency, thence
5. Continuing along the southeasterly line of Lot 1.07, Block 257.01, in part, and along the southeasterly line of Lot 30.10, Block 257.01, N/F Middlesex County Utilities Authority, North $50^{\circ} 41' 31''$ East, a distance of 183.28 feet to a point in the aforementioned westerly line of Lot 20.01, Block 62.02, thence
6. Along said westerly line of Lot 20.01, Block 62.02, in a general southerly direction on the arc of a curve to the left having a radius of 1,457.69 feet and an arc length of 434.36 feet, chord bearing and distance of South $15^{\circ} 56' 04''$ West, 432.76 feet, to the point and place of beginning.

Said description of Lot 6 in Block 257.01 containing 43,454 Square Feet or 0.998 Acre, more or less. Said described lands being known as all of Lot 6, Block 257.01, as shown on the official Tax Map of the Borough of Sayreville.

Said description of Lot 6 in Block 257.01 having been drawn in accordance with a map entitled "ALTAIACSM Survey of Lots 1, 1.01, 4, 5, 6, Block 257.01, Lot 1, Block 257.02, Lot 1, Block 275.02, and Lot 3.04, Block 257, prepared for Sayreville Economic Redevelopment Agency, S situated in the Borough of Sayreville, Middlesex County, New Jersey", prepared by CME Associates, dated October 09, 2008

Lot 3.04 in Block 257 (Premises "G")
N/F Sayreville Economic Redevelopment Agency
Borough of Sayreville
Middlesex County, New Jersey

All that certain tract or parcel of land located in the Borough of Sayreville, County of Middlesex, State of New Jersey, bounded and described as follows:

Beginning at a point, said point being the intersection of the southwesterly line of Lot 3.06, Block 257, with the westerly right-of-way line of a 25-foot wide Right-of-Way, now known as part of Main Street, and from said beginning point running:

1. Along said westerly right-of-way line of a 25-foot wide right-of-way, now known as part of Main Street, South $18^{\circ} 41' 11''$ West, a distance of 529.65 feet to a point in the northerly line of Lot 1.04, Block 257, N/F Middlesex County Utilities Authority, said point being witnessed by a capped iron bar found 2.8-feet east of the herein described point, thence
2. Along said northerly line of Lot 1.04, Block 257, South $71^{\circ} 36' 56''$ West, a distance of 124.61 feet to a point in the northeasterly line of Lot 3.05, Block 257, N/F Middlesex County Utilities Authority, said point being witnessed by a concrete monument found, thence

Along the northeasterly lines of Lot 3.05, Block 257, and the following three (3) courses:

3. North $57^{\circ} 01' 45''$ West, a distance of 469.74 feet to a point, said point being witnessed by a concrete monument found 0.2-foot northwest of the herein described point, thence
4. North $39^{\circ} 16' 58''$ West, a distance of 1,293.20 feet to a point, thence
5. North $62^{\circ} 39' 09''$ West, a distance of 100.00 feet to a point in the southeasterly right-of-way line of the Conrail - Raritan River Railroad, Kearny Branch, Lot 20, Block 62.02, thence
6. Along said southeasterly right-of-way line of the Conrail - Raritan River Railroad, Kearny Branch, Lot 20, Block 62.02, North $27^{\circ} 20' 51''$ East, a distance of 976.76 feet to a point in the southwesterly right-of-way line of Chevalier Avenue, thence

Along said southwesterly right-of-way line of Chevalier Avenue, the following two (2) courses:

7. South $38^{\circ} 07' 00''$ East, a distance of 164.90 feet to a point, said point being witnessed by a concrete monument found 0.9-foot west of the herein described point, thence
8. South $62^{\circ} 39' 10''$ East, a distance of 833.24 feet to a point in the northwesterly line of Lot 3.06, Block 257, N/F Faith Fellowship Ministries, Inc., thence
9. Along said northwesterly line of Lot 3.06, Block 257, N/F Faith Fellowship Ministries, Inc., South $27^{\circ} 20' 52''$ West, a distance of 854.43 feet to a point in the southwesterly line of Lot 3.06, Block 257, thence
10. Along said southwesterly line of Lot 3.06, Block 257, South $62^{\circ} 39' 09''$ East, a distance of 778.56 feet to the point and place of beginning.

Said description of Lot 3.04 in Block 257 containing 1,523,314 Square Feet or 34.970 Acres, more or less. Said described lands being known as all of Lot 3.04, Block 257, as shown on the official Tax Map of the Borough of Sayreville.

Said description of Lot 3.04 in Block 257 having been drawn in accordance with certain map entitled "ALTA/ACSM Survey of Lots 1, 1.01, 4, 5, 6, Block 257.01, Lot 1, Block 257.02, Lot 1, Block 275.02, and Lot 3.04, Block 257, prepared for Sayreville Economic Redevelopment Agency, Situated in the Borough of Sayreville, Middlesex County, New Jersey", prepared by CME Associates, dated October 09, 2008.

Exhibit B

Power of Attorney (attached)

NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., a New Jersey corporation with an address of 5430 LBJ Freeway, Suite 1700, Dallas, TX 75240, hereby makes, constitutes and appoints BANK OF AMERICA, N.A., its true and lawful attorney, for itself and in its name, place and stead, to take any and all such acts and/or actions as NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., can, may or is entitled to take for and with respect to (i) that certain Promissory Note dated October /5, 2008 from Sayreville Seaport Associates, L.P., a Delaware limited partnership ("Borrower") to NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. and NL Industries, Inc., in the original principal sum of \$15,000,000.00 (the "Note") and (ii) that certain Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing dated October /5, 2008 from Borrower to NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. and NL Industries, Inc., securing the Note and encumbering a certain leasehold interest in certain property located in the Borough of Sayreville, Middlesex County and State of New Jersey, which leasehold interest may become a fee interest mortgage as provided for therein (the "Mortgage"), including, without limitation, to execute and deliver any modification, extension of maturity for one (1) year, release, discharge, assignment or endorsement of the same and/or to enforce, ask, demand, sue for, collect and receive all sums of money, interest and other payments due under or pursuant to the Note and/or Mortgage, as BANK OF AMERICA, N.A., in its sole and absolute discretion, shall deem appropriate; to foreclose the Mortgage and to take title to property in the name of NL

ENVIRONMENTAL MANAGEMENT SERVICES, INC., if BANK OF AMERICA, N.A. thinks proper; to place and effect insurance with respect to the property encumbered by the Mortgage; to retain counsel and attorneys on behalf of NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., to appear for NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. in all actions and proceedings to which NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. may be a party in the courts of New Jersey or any other State in the United States, or in the United States courts, to commence actions and proceedings in the name of NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. if necessary, to sign and verify in its name all complaints, petitions, answers and other pleadings of every description; hereby giving and granting to it, the said attorney, BANK OF AMERICA, N.A., full power and authority to do and perform all and every act and anything whatsoever necessary to be done in the premises, as fully to all intents and purposes as NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. might or could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that the said attorney may do pursuant to this power.

This Power of Attorney is being given pursuant to the terms of that certain Intercreditor, Subordination and Standstill Agreement by and between Bank of America, N.A., as Administrative Agent for itself and on behalf of the other "Banks" (as defined therein) and NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. and NL/Industries, Inc. dated October 16, 2008 (the "Intercreditor Agreement").

This Power of Attorney shall terminate upon repayment in full of the "Bank Loan" or the "NL Loan", whichever comes first (as those terms are defined in the Intercreditor Agreement).

IN WITNESS WHEREOF, NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., has hereunto set its hand and seal this 13th day of October, 2008.

ATTEST:

NL ENVIRONMENTAL MANAGEMENT SERVICES, INC.

BY: /s/ A. Andrew R. Louis
Name: A. Andrew R. Louis
Title: Associate General Counsel

BY: /s/ Robert D. Graham
Name: Robert D. Graham
Title: President

STATE OF TEXAS

SS.

COUNTY OF DALLAS

BE IT REMEMBERED, that on this 13th day of October, 2008, before me the subscriber, Amanda K. Beer, duly authorized by law to take acknowledgments and proofs of deeds therein, personally appeared, Robert D. Graham, who acknowledged himself/herself to be the President of NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., and who I am satisfied is the person mentioned in and having executed the Instrument to which this certificate is attached as the President and for and on behalf of NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., and to whom I first made known the contents thereof, and thereupon such person acknowledged that he/she signed, sealed, and delivered the same as the voluntary act and deed of NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., for the uses and purposes therein expressed.

[Notary Page - Power of Attorney]

/s/ Amanda K. Beer
Amanda K. Beer, Notary Public

Commission Expires: July 22, 2010

NL INDUSTRIES, INC. POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that NL INDUSTRIES, INC., a New Jersey corporation with an address of 5430 LBJ Freeway, Suite 1700, Dallas, TX 75240, hereby makes, constitutes and appoints BANK OF AMERICA, N.A., its true and lawful attorney, for itself and in its name, place and stead, to take any and all such acts and/or actions as NL INDUSTRIES, INC., can, may or is entitled to take for and with respect to (i) that certain Promissory Note dated October /5, 2008 from Sayreville Seaport Associates, L.P., a Delaware limited partnership ("Borrower") to NL INDUSTRIES, INC. and NL Environmental Management Services, Inc., in the original principal sum of \$15,000,000.00 (the "Note") and (ii) that certain Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing dated October /5, 2008 from Borrower to NL INDUSTRIES, INC. and NL Environmental Management Services, Inc., securing the Note and encumbering a certain leasehold interest in certain property located in the Borough of Sayreville, Middlesex County and State of New Jersey, which leasehold interest may become a fee interest mortgage as provided for therein (the "Mortgage"), including, without limitation, to execute and deliver any modification, extension of maturity for one (1) year, release, discharge, assignment or endorsement of the same and/or to enforce, ask, demand, sue for, collect and receive all sums of money, interest and other payments due under or pursuant to the Note and/or Mortgage, as BANK OF AMERICA, N.A., in its sole and absolute discretion, shall deem appropriate; to foreclose the Mortgage and to take title to property in the name of NL INDUSTRIES, INC., if BANK OF AMERICA, N.A. thinks proper; to place and effect insurance with respect to the property encumbered by the Mortgage; to retain counsel and attorneys on behalf of NL INDUSTRIES, INC., to appear for NL INDUSTRIES, INC. in all actions and proceedings to which NL INDUSTRIES, INC. may be a party in the courts of New Jersey or any other State in the United States, or in the United States courts, to commence actions and proceedings in the name of NL INDUSTRIES, INC. if necessary, to sign and verify in its name all complaints, petitions, answers and other pleadings of every description; hereby giving and granting to it, the said attorney, BANK OF AMERICA, N.A., full power and authority to do and perform all and every act and anything whatsoever necessary to be done in the premises, as fully to all intents and purposes as NL INDUSTRIES, INC. might or could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that the said attorney may do pursuant to this power.

This Power of Attorney is being given pursuant to the terms of that certain Intercreditor, Subordination and Standstill Agreement by and between Bank of America, N.A., as Administrative Agent for itself and on behalf of the other "Banks" (as defined therein) and NL/INDUSTRIES, INC. and NL Environmental Management Services, Inc. dated October J, 2008 (the "Intercreditor Agreement"). This Power of Attorney shall terminate upon repayment in full of the "Bank Loan" or the "NL Loan", whichever comes first (as those terms are defined in the Intercreditor Agreement).

IN WITNESS WHEREOF, NL INDUSTRIES, INC., has hereunto set its hand and seal this 13th day of October, 2008.

ATTEST:

NL INDUSTRIES, INC.

BY: /s/ A. Andrew R. Louis
Name: A. Andrew R. Louis
Title: Associate General Counsel

BY: /s/ Robert D. Graham
Name: Robert D. Graham
Title: Vice President & General Counsel

STATE OF TEXAS

SS.

COUNTY OF DALLAS

BE IT REMEMBERED, that on this 13th day of October, 2008, before me the subscriber, Amanda K. Beer, duly authorized by law to take acknowledgments and proofs of deeds therein, personally appeared, Robert D. Graham, who acknowledged himself/herself to be the Vice President & General Counsel of NL Industries, Inc., and who I am satisfied is the person mentioned in and having executed the Instrument to which this certificate is attached as the Vice President & General Counsel and for and on behalf of NL Industries, Inc., and to whom I first made known the contents thereof, and thereupon such person acknowledged that he/she signed, sealed, and delivered the same as the voluntary act and deed of NL Industries, Inc., for the uses and purposes therein expressed.

[Notary Page - Power of Attorney]

/s/ Amanda K. Beer
Amanda K. Beer, Notary Public

Commission Expires: July 22, 2010

MULTI-PARTY AGREEMENT

THIS MULTI-PARTY AGREEMENT (this "Agreement") is made as of October 15, 2008 by and among SAYREVILLE SEAPORT ASSOCIATES, L.P., a Delaware limited partnership ("Borrower"); SAYREVILLE SEAPORT ASSOCIATES ACQUISITION COMPANY, LLC, a Delaware limited liability company and general partner of the Borrower (the "General Partner"); OPG PARTICIPATION, LLC, a Pennsylvania limited liability company and limited partner of the Borrower ("OPG"); J. BRIAN O'NEILL, a Pennsylvania resident, ("O'Neill"); NL INDUSTRIES, INC., a New Jersey corporation ("NL INDUSTRIES"); NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. ("NLEMS" and, collectively with NL INDUSTRIES, "Lender"); THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, an insurance company organized under the laws of the State of New Jersey acting solely on behalf of, for the benefit of, and with its liability limited to the assets of its insurance company separate account known as PRISA II (such insurance company separate account being referred to herein as "PRISA II"), except as expressly provided in Section 18 below ("Prudential"); SAYREVILLE PRISA II LLC, a Delaware limited liability company and a wholly owned subsidiary of Prudential (referred to herein as "Sayreville LLC"). The General Partner, OPG and O'Neill are sometimes referred to individually as a "Developer Partner" and collectively as the "Developer Partners". Borrower and each and all of the Developer Partners are sometimes referred to individually and collectively as the "Developer".

RECITALS

- A. Borrower is the ground lessee of those certain parcels of real property more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Premises").
- B. Borrower was formed as a Delaware limited partnership pursuant to the filing of a Certificate of Limited Partnership with the Secretary of the State of Delaware on or about November 1, 2007 and the execution and delivery by Developer Partners, as all of the partners of Borrower, of that certain Agreement of Limited Partnership of Sayreville Seaport Associates, L.P., dated as of November 1, 2007.
- C. Pursuant to that certain Mortgage Note of even date herewith (the "Note") in the original principal amount of \$15,000,000.00 from Borrower to Lender, Lender has agreed to accept the Note as a credit against the Initial Payment as defined in that certain Reinstated and Amended Settlement Agreement and Release dated June 26, 2008 among Borrower, Lender, the Sayreville Economic and Redevelopment Agency ("SERA") and the County of Middlesex, New Jersey (the "County"), as amended in that certain Amendment to Reinstated and Amended Settlement and Release dated as of September 25, 2008 (as amended, the "Settlement Agreement and Release") due under the Settlement Agreement and Release.
- D. In connection with Lender's acceptance of the Note, Developer Partners and Sayreville LLC have entered into that certain Amended and Restated Agreement of Limited Partnership of Sayreville Seaport Associates, L.P. dated of even date herewith (the "Partnership Agreement"), pursuant to which Sayreville LLC became a limited partner of Borrower in return for the agreement of Sayreville LLC to make a capital contribution in and to Borrower in an amount equal to the "Loan Pay-off Capital Contribution", defined below.
- E. Developer, Sayreville LLC and Prudential acknowledge by their execution and delivery of this Agreement that without Prudential executing and delivering this Agreement and agreeing to make and fund, for and on behalf of Sayreville LLC, the Loan Pay-off Capital Contribution, Lender would not accept the Note from Borrower. Developer Partners, Sayreville LLC and Prudential acknowledge and agree that they benefit from Lender accepting the Note from Borrower.
- F. At the time of the infusion of the Loan Pay-off Capital Contribution to Borrower by Sayreville LLC, by means of Prudential making a capital contribution to Sayreville LLC, the Loan Pay-off Capital Contribution will be used (i) in repayment of the outstanding principal amount of the Note, to a maximum sum of \$15,000,000.00, whereupon, Lender will cause the liens and the security interests created by that certain Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing against the Premises (the "Mortgage") to be discharged of record or, at the option of Prudential, assigned to Sayreville, LLC or Prudential, all as further provided for herein.
- G. Lender has required that this Agreement be executed as a condition to Lender's obligation to accept the Note from Borrower. All parties hereto desire to enter into this Agreement to evidence the agreements and understandings hereinafter set forth. Unless otherwise defined herein, capitalized terms shall have the meanings given in Exhibit C attached hereto and incorporated herein.

AGREEMENTS

NOW, THEREFORE, with reference to the foregoing Recitals, all of which are incorporated herein by this reference, and in order to induce Lenders to enter into the Loan Agreement and make the Loan and the advances thereunder, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Recitals. The foregoing Recitals are true and correct and are incorporated into this Agreement by reference.
2. Prudential's Obligation to Make the Loan Pay-off Capital Contribution.
 - (a) Developer, Sayreville, LLC and Prudential hereby agree that, (A) upon maturity of the Note, whether due to scheduled maturity or earlier acceleration, as a result of the occurrence of a default (beyond any applicable notice and/or cure periods) under the Note, the Mortgage or any of the loan documents executed in connection with the Note and the Mortgage; (B) the bankruptcy of the Borrower or any partner of Borrower or the death of J. Brian O'Neill or the condemnation of a material portion of the Premises; (C) the date that Prudential's long term credit rating falls below Baa2 as rated by Moody's Investors Service or BBB as rated by Standard and Poor's (or if Moody's Investors Service or Standard and Poor's no longer exists or provides rating services, an equivalent rating by a rating agency reasonably acceptable to Lender); (D) the date on which PRISA II fails to be in compliance with the covenants set forth in Sections 19.1, 19.2, 19.3 or 19.4 of this Agreement; or (E) upon the occurrence of a default (beyond any applicable notice and cure periods) under that certain Loan Agreement (the "Loan Agreement") dated of even date by and between Borrower and Bank of America as administrative agent ("Administrative Agent") in connection with that certain \$70,000,000 loan being made by Administrative Agent and those other lenders set forth in the Loan Agreement (the "Bank Group Loan") or under any other Loan Documents (as described in the Loan Agreement); then upon written demand by Lender to Prudential and Developer Partners, notwithstanding anything to the contrary in the Partnership Agreement, as the same may be modified or amended, Prudential shall, upon demand of Lender, contemporaneously: (i) pay to Lender, in immediately available funds, an amount sufficient to pay-off in full the outstanding principal amount of the Note and any and all sums due and owing to Lender under the Note, not to exceed \$15,000,000.00 in the aggregate (the "Loan Pay-off Capital Contribution").
 - (b) The obligations of Prudential pursuant to section 2(a) above are absolute, irrevocable and unconditional, regardless of whether, without limitation, (i) a default under the Partnership Agreement has occurred or is occurring or any partner of the Borrower acts in breach or violation of the Partnership Agreement, as the same may be modified or amended, (ii) Sayreville, LLC, any of the Developer Partners or any other partners of Borrower assigns, sells, transfers, conveys or abandons, by operation of law or otherwise, in whole or part, its partnership interests in the Borrower, including, without limitation, an abandonment pursuant to section 10.3 of the Partnership Agreement, (iii) dissolution, bankruptcy, merger or termination of Lender, Borrower or any partner of Borrower, or the death of O'Neill, (iv) amendment, modification or restatement of the Partnership Agreement, in whole or part, (v) replacement

or substitution of any general partner of Borrower, (vi) any liens have affected title to the Premises or other title conditions exist with respect to the Premises, (vii) Borrower, Sayreville, LLC, Prudential or any Developer Partner fails to obtain and/or close the "Construction Loan" (as defined in the Partnership Agreement), execute and deliver the "Transaction Agreement" (as defined in the Partnership Agreement) or fails to obtain any refinancing of the Loan or (viii) any environmental condition at or of the Premises and/or any other land forming a part of the redevelopment project (or if Borrower fails to obtain any funds needed for the completion of required environmental remediation work at the Premises).

(c) Notwithstanding anything contained in this Agreement to the contrary, upon the payment by Prudential to Lender of the Loan Pay-off Capital Contribution, Lender shall, concurrently with such payment, at the written direction of Prudential, either (i) cause the liens and security interest created by the Mortgage to be discharged of record as to the Premises and shall cause Borrower (but not any guarantor or indemnitor, including, without limitation, O'Neill) to be released from any surviving obligations under the Note, the Mortgage and any other loan documents executed in connection therewith or (ii) sell and assign to Prudential (or its designee), for the Loan Pay-off Capital Contribution, all of its right, title and interest (except for the rights of the Lender under and pursuant to the Mortgage as to indemnification, defense and hold harmless to which Lender is entitled and the rights of the Lender which are hereby reserved by Lender), without representation, warranty or recourse (other than a representation of Lender that the Note and Mortgage have not been assigned, transferred or encumbered), in and to the Note, the Mortgage and the Premises, if any.

(d) Borrower hereby authorizes and directs Prudential to pay to Lender the Loan Pay-off Capital Contribution upon direction from Lender and agrees that no further authorization is required for Prudential to make such payment. The Developer Partners acknowledge and agree that as between them and each of Sayreville LLC and Prudential, the Loan Pay-off Capital Contribution is an Initial Capital Contribution, pursuant to section 4.1(b) of the Partnership Agreement and Developer Partners are unconditionally and irrevocably obligated to contribute on a pro-rata basis to the Loan Pay-off Capital Contribution, provided that nothing herein or under the Partnership Agreement shall limit Prudential's obligations to Lender for the payment in full of the Loan Pay-off Capital Contribution, notwithstanding any Developer Partner's failure to contribute to the same.

(e) In no event shall this Agreement, the Note, the Mortgage nor any exercise by Lender of any of the Lender's rights or remedies hereunder or thereunder, release, relieve or affect in any way the obligations of Developer Partners to Sayreville, LLC and Prudential under the Partnership Agreement, including without limitation, any liabilities or claims of Sayreville, LLC and Prudential against Developer Partners. Notwithstanding anything contained in this Agreement, the Note or the Mortgage to the contrary, unless and until the Note is paid in full and, all of the liens in connection with the Mortgage have been released by Lender, Prudential shall be obligated only to deal solely and directly with Lender in connection with the rights and obligations contemplated by this Agreement.

(f) Sayreville LLC and Prudential each acknowledge and agree that under no circumstances shall Lender be obligated to seek to collect any sums due Lender from Borrower including O'Neill, or to realize or seek to realize on an collateral prior to making demand upon Prudential for payment pursuant to Section 2(a) above and Prudential's obligations and liabilities under Section 2(a) above shall be independent of any and all rights and remedies available to Lender pursuant to the Note or the Mortgage.

3 . Intention of Parties. Notwithstanding any contrary provisions of this Agreement, Lender expressly acknowledges that (i) except for Prudential's obligation under this Agreement to make payment to Lender of the Loan Pay-off Capital Contribution pursuant to Section 2(a) above, Prudential does not have any personal liability under the Note. It is further understood that, so long Prudential makes payment to Lender of the Loan Pay-off Capital Contribution, Lender, shall, concurrently with such payment, at the written direction of Prudential, either: (i) cause the liens and security interests created by the Mortgage to be discharged of record as to the Premises and shall cause Borrower (but not any guarantor under any guaranty of the Note, if any, including, without limitation, O'Neill) to be released from any surviving obligations to Lender under the Note and the Mortgage or (ii) sell and assign to Prudential (or its designee), without representation, warranty or recourse (other than a representation by Lender that the Note and the Mortgage have not been assigned, transferred or encumbered), all of Lender's right, title and interest in and to the Note, the Mortgage and the Premises, if any; provided, however, that the rights of the Lender under and pursuant to the Note and Mortgage as to indemnification, defense and hold harmless to which Lender is entitled and the rights of the Lender under any and all guarantees, including a guaranty of O'Neill, if any, shall be reserved by Lender and the liability of any guarantor, if any, shall be retained by Lender and nothing herein contained shall obligate Lender to release any guarantor who may be liable obligations that expressly survive the payment in full of all sums due under the Note and/or the discharge of record of the liens and security interests affecting the Premises under the Mortgage or release any guarantor, from liability for payment of any sums due and payable under the Note or the Mortgage, which remain outstanding. In connection with any sale or assignment to Prudential of any interest of Lender in and to the Premises, any deed, transfer or sales tax shall be the responsibility of Prudential and not of Lender. Notwithstanding anything to the contrary hereinabove, the terms of this Section 3 shall not amend, modify or waive any of the rights and obligations of Borrower and Lender under the Settlement Agreement and Release.

4. Representations Regarding PRISA II and Status of Partnership Agreement.

(a) Prudential hereby confirms, represents and covenants to Lender that:

(i) PRISA II is a "separate account" (i) designated "PRISA II", (ii) established by Prudential, in accordance with and pursuant to Section 17B:28 of the New Jersey Statutes Annotated, for the benefit of the Contract Holders and (iii) to which income and gains or losses, realized or unrealized, are credited or charged and are accounted for separately from income, gains or losses of Prudential. The contracts with the Contract Holders are variable contracts without any guaranty, including any index guaranty of the dollar amounts of benefits or other payments thereunder or of the value of such contract.

(ii) Assets of PRISA II held by Prudential, whether in Prudential's name or in the name of PRISA II, are not subject to general creditors of Prudential and are subject only to liabilities specifically incurred by Prudential with respect to PRISA II, and the rights of the Contract Holders under their respective contracts are in all respects subject and subordinate to the rights of the Administrative Agent and Lenders to demand that Prudential make payment to Administrative Agent of the Loan Pay-off Capital Contribution.

(iii) PRISA II is a "separate account" as defined in Section 3(17) of ERISA. All assets included in such separate account are owned by PRISA II for the benefit of the Contract Holders. The contracts with the Contract Holders expressly provide that assets held in PRISA II shall not be chargeable with any liabilities arising out of any other business of Prudential. The consummation of this Agreement and the payment of the Loan-Pay-off Capital Contribution to Administrative Agent pursuant to this Agreement are within the business purposes of PRISA II.

(iv) PRISA II is not a separate legal entity for the purposes of ERISA and as such has no employees and does not sponsor or participate in any Plan.

(b) Prudential represents and warrants, to the best of its knowledge, that as of the date hereof:

(i) the Partnership Agreement (with attached exhibits) represents all the legal instruments and documents evidencing the binding commitment of Sayreville, LLC with respect to the acquisition by Sayreville, LLC of the partnership interests in Borrower and the infusion by Developer and Sayreville, LLC of capital in Borrower (which obligation of Sayreville, LLC is hereby assumed by Prudential as to Administrative Agent and Lenders only);

(ii) no default by Sayreville, LLC has occurred and no event has occurred which, with the passage of time or the giving of notice or both, would constitute a default by Sayreville, LLC under the Partnership Agreement; and

(iii) the Partnership Agreement is in full force and effect.

(c) Developer represents and warrants, to the best of its knowledge, that as of the date hereof:

(i) the Partnership Agreement (with attached exhibits) represents all the legal instruments and documents evidencing the binding commitment of Developer with respect to the acquisition by Sayreville, LLC of the partnership interests in Borrower and the infusion by Developer and Sayreville, LLC of capital in Borrower;

(ii) no default by Developer has occurred and no event has occurred which, with the passage of time or the giving of notice or both, would constitute a default by Developer under the Partnership Agreement; and

(iii) the Partnership Agreement is in full force and effect.

(d) Prudential and Sayreville, LLC each hereby acknowledge to Lender that each is familiar with the environmental condition of the Premises.

5. Amendment of Partnership Agreement/Transfer of Partnership Interests. Sayreville LLC and Developer acknowledge and agree that so long as any amount of the Note remains outstanding, no material changes (which shall include, without limitation, (i) any changes with respect to the direct or indirect ownership interest of the Developer Partners or Sayreville LLC in and to the Borrower, except as otherwise permitted under this Section 5, and (ii) the obligations of either the Developer Partners or Sayreville LLC to make any capital contributions as required thereunder) in the Partnership Agreement shall be made without the prior written consent of Lender, which may be granted or withheld in its sole discretion. Sayreville LLC and Developer Partners acknowledge and agree that so long as any amount of the Note remain outstanding, except as may be permitted under the Mortgage, no assignment, collateral assignment, pledge, conveyance, transfer or other disposition of any partnership interests in and to Borrower shall be made without Lender's prior written consent, which may be granted or withheld in its sole discretion. Notwithstanding anything to the contrary herein or in the Partnership Agreement, no assignment by Sayreville LLC of its interest in the Partnership shall release Prudential from its obligations to Lender under or pursuant to this Agreement.

6. Developer's Consent. Developer hereby consents and agrees to the terms and conditions of this Agreement; provided that nothing contained herein shall, as between Developer on one hand and Sayreville, LLC on the other, modify the terms of the Partnership Agreement. Furthermore, the parties hereto hereby acknowledge and agree that, except as otherwise expressly set forth in Section 2 hereof, the acknowledgements, agreements and covenants on the part of Sayreville, LLC and/or Prudential herein contained are for the benefit of Lender and shall not be deemed to constitute a modification of the Partnership Agreement.

7. Notices. Each notice request, demand and other communication hereunder will be in writing and will be deemed given (a) if given by mail, four (4) days after deposit in United States Certified Mail, postage prepaid, return receipt requested or (b) if given by personal delivery, when delivered, or (c) if given by reputable overnight next business day courier service, on the next business day after delivery to such service, in each case addressed to the parties as follows (or to such other address as a party may designate by notice to the others):

If to Lender:

If to Prudential and/or Sayreville, LLC (notice to either Prudential or Sayreville, LLC shall constitute notice to both Prudential and Sayreville):

c/o Prudential Real Estate Investors
8 Campus Drive
Parsippany, New Jersey 07054
Attn: Steven B. LaBold

with a copy to:

PAMG-RE Law Department
8 Campus Drive, 4th Floor
Arbor Circle South
Parsippany, New Jersey 07054
Attn: Law Department

with a copy to:

Goodwin|Procter LLP
Exchange Place
Boston, Massachusetts 02109
Attn: Minta E. Kay, Esq.

If to Developer:

c/o O'Neill Properties Group, L.P.
2701 Renaissance Boulevard
4th Floor
King of Prussia, Pennsylvania 19406
Attn: J. Brian O'Neill

with a copy to:

Sean Mitchell, Esq.
Macartney, Mitchell & Campbell, LLC
2701 Renaissance Boulevard
Fourth Floor
King of Prussia, Pennsylvania 19406

if to Lender:

NL Industries, Inc.
5430 LBJ Freeway
Suite 1700

Dallas, TX 75240
Attention: General Counsel

with a copy to:

Christopher R. Gibson, Esq.
Archer & Greiner, P.C.
One Centennial Square
Haddonfield, NJ 08033

8. Waiver. No waiver of any of the terms or conditions of this Agreement, and no waiver of any default or failure of compliance, shall be effective unless in writing, and no waiver furnished in writing shall be deemed to be a waiver of any other term or provision or any future conditions of this Agreement.

9. Modification. This Agreement may not be changed, terminated or modified orally or in any other manner except by an agreement in writing signed by all parties hereto.

10. Time. Time is of the essence of this Agreement.

11. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

12. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey.

13. Severability. The invalidity or unenforceability of any provision in this Agreement will not affect any other provision.

14. Attorneys' Fees. In the event that any suit or action is brought to enforce this Agreement, the prevailing party or parties will be entitled to reasonable attorneys' fees in amount to be fixed by the applicable court.

15. Survival. The terms, conditions and provisions hereof and all obligations and duties of the parties hereto shall survive the closing of the transaction described in this Agreement.

16. Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute a single agreement.

17. Remedies. Each party hereto acknowledges and agrees that its only remedy against any other party for breach of this Agreement shall be to seek and obtain specific performance of such other party's obligations hereunder, and that in no event shall any party have any liability for damages as a result of breach of this Agreement, provided however, Developer and Prudential acknowledge and agree that Lender (or a wholly-owned subsidiary of Lender, but not any third party purchaser at a foreclosure sale) may maintain an action for assumpsit, damages (but such action for damages shall be solely for recovery of the unpaid amount of the Loan Pay-Off Capital Contribution and payment of such amount as provided in Section 14 above) or specific performance for payment of the Loan Pay-off Capital Contribution, as the case may be, and payment of such amount as provided for in Section 14 above.

18. Prudential's Limited Liability. The obligation of Prudential under this Agreement to make payment of the Loan Pay-off Capital Contribution is fully recourse to PRISA II's assets and all other assets now or hereafter held by Prudential for PRISA II but the obligation of Prudential under this Agreement to make payment of the Loan Pay-off Capital Contribution, or any portion thereof, will be non-recourse to Prudential and to Prudential's other assets (i.e., any assets that are not now or hereafter held for PRISA II), except that Prudential (and all of its assets held for its general account) shall be fully liable to the Lender for each of the following:

(a) any loss, cost or damage incurred by Lender to the extent that such loss, cost or damage, together with the Loan Pay-off Capital Contribution or any portion thereof cannot be recovered by Lender from PRISA II, and which loss, cost or damage relates to or arises out of:

(i) fraud or any intentional material misrepresentation by PRISA II regarding the financial performance or condition of PRISA II or any information contained in any certificates given on behalf of PRISA II hereunder;

(ii) any material misrepresentation by PRISA II which relates to (A) the existence of PRISA II, (B) the existence of any asset of PRISA II, (C) PRISA II's ownership of any such asset, (D) the due authorization of Prudential or the legal power or authority of Prudential to act for PRISA II, to enter into this Agreement on behalf of PRISA II or to pay, perform and observe its obligations thereunder, or (E) any of the matters set forth in Sections 4(a), (i), (ii), (iii) and (iv) and 19.6 or 19.7 of this Agreement;

(iii) any misapplication or misappropriation by Prudential of any funds belonging to PRISA II;

(iv) any Improper Distributions; or

(v) any legal determination that PRISA II (for any reason whatsoever) has failed to qualify as, or to maintain its status as, a "separate account" under applicable law thus resulting in PRISA II's assets being subject to the claims of general creditors of Prudential;

(b) the Loan Pay-off Capital Contribution, or any unpaid part or portion thereof, in the event that any effort by Lender to obtain a judgment against PRISA II with respect to this Agreement or to attach, execute or otherwise realize upon any asset of PRISA II is impeded in any material way by any claim or assertion that is made by PRISA II or Prudential (or by any of their Affiliates, successors or assigns or any agent or employee of any of the foregoing) which (i) challenges the existence of PRISA II as a "separate account" under applicable law, (ii) challenges the due authorization or legal power or authority of Prudential to act for PRISA II, to enter into the this Agreement on behalf of PRISA II or to pay, perform and observe its obligations hereunder, or (iii) challenges the enforceability of this Agreement against PRISA II on the basis of any matter described in clauses (i) or (ii) of Section 18(a); and

(c) the Loan Pay-off Capital Contribution, or any unpaid part or portion thereof, in the event that any effort by Lender to obtain a judgment against PRISA II with respect to the Loan Pay-off Capital Contribution, or any unpaid part or portion thereof, or to attach, execute or otherwise realize upon any asset of PRISA II is impeded in any material way by any claim or assertion that is made by any other party with respect to any of the matters set forth in clauses (i) or (ii) of Section 18(a) and Prudential fails to take all reasonable steps, at its sole cost and expense, to defend against any such claim or assertion;

(d) the Loan Pay-off Capital Contribution, or any unpaid part or portion thereof, in the event that, after Lender has obtained a final non-appealable judgment in a court action against PRISA II with respect to the Loan Pay-off Capital Contribution, or any unpaid part or portion thereof, PRISA II or Prudential (or any of their Affiliates, successors or assigns, or any agent or employee or any of the foregoing) intentionally takes any action which impedes in any material way Lender's efforts to satisfy such judgment by execution, levy, sale or other action against or with respect to any of the assets of PRISA II;

and/or

- (e) any sums due under or pursuant to Section 14 above.

19. Covenants Regarding PRISA II. During the term of this Agreement, unless the Lender, in its sole discretion, shall otherwise consent in writing:

19.1 Net Asset Value. PRISA II will at all times maintain a minimum value of Net Assets of \$1,500,000,000.

19.2 Coverage Ratio. PRISA II and its Consolidated Entities on a consolidated basis, shall not, as of any date, permit Total Outstanding Indebtedness to exceed forty percent (40%) of Adjusted Total Assets.

19.3 Fixed Charge Coverage. PRISA II and its Consolidated Entities on a consolidated basis, shall not, as of any date, permit the ratio of Net Investment Income plus Interest Expense plus all ground lease rental expense included in Fixed Charges for the most recent four prior fiscal quarters to Fixed Charges for such period to be less than 2.5 to 1.

19.4 Maintenance of Investment Advisor Role. Prudential (or one or more entities controlled by Prudential) shall at all times serve as the sole investment advisor of PRISA II and all of its assets (unless Lender, in its sole discretion, give their prior written approval of one or more professional investment advisors as replacements for Prudential), provided, however, that from time to time Prudential may appoint an independent fiduciary for the purpose of resolving conflicts of interest.

19.5 Financial Reporting. PRISA II will maintain, for itself and each Consolidated Entity, a system of accounting established and administered in accordance with Agreement Accounting Principles, and furnish to Lender:

(i) As soon as available, but in any event not later than 45 days after the close of each fiscal quarter, for PRISA II and its Consolidated Entities, an unaudited consolidated balance sheet as of the close of each such period and the related unaudited consolidated statements of operations and of cash flows of PRISA II and its Consolidated Entities for such period and the portion of the fiscal year through the end of such period, setting forth in each case in comparative form the figures for the previous year, all certified by PRISA II's Senior Portfolio Manager or Senior Accounting Manager;

(ii) As soon as available, but in any event not later than 120 days after the close of each fiscal year, for PRISA II and its Consolidated Entities, audited financial statements, including a consolidated balance sheet as the end of such year and the related consolidated statements of operations and of cash flows for such year, setting forth in each case in comparative form the figures for the previous year, reported on by PricewaterCoopers LLP (or another comparable firm of independent certified public accountants) without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit;

(iii) Together with the quarterly and annual financial statements required hereunder, a compliance certificate in substantially the form of Exhibit B hereto signed by a senior executive of the PRISA II account, showing the calculations and computations necessary to determine compliance with this Agreement, stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof, updating Schedule 1 as of the end of preceding quarter; and

(iv) Not less than 10 business days prior to the effective date thereof, an updated Exhibit reflecting (i) the proposed admission of any new Over 10% Contract Holder or (ii) any existing Contract Holder which will become an Over 10% Contract Holder on such date.

19.6 PRISA II's Contract Holders. PRISA II shall not consent to any material modifications to PRISA II's separate account agreements with the Contract Holders, other than changes in the ordinary course of business which do not increase the rights of such Contract Holders to terminate such agreements or to withdraw funds from PRISA II and do not adversely affect the priority of PRISA II's obligations under this Agreement over the claims of the Contract Holders, without the prior written consent of Lender, which consent will not be unreasonably withheld or delayed. PRISA II shall not enter into a separate account agreement with a Contract Holder that does not give PRISA II rights substantially the same as or better than those created by the form of agreement in use as of the date hereof, without the prior written consent of Lender, which consent will not be unreasonably withheld or delayed.

19.7 Maintenance of Separate Account Status. PRISA II shall at all times take all steps necessary to maintain, and refrain from any act or omission that would eliminate or in any way diminish its status as a separate account of Prudential under applicable New Jersey law such that the assets of the Consolidated Group are not subject to the claims of Prudential's creditors for Prudential's obligations unrelated to the Consolidated Group. If there shall be any changes of fact or law that may reasonably be expected to cause any change in PRISA II's status as a separate account of Prudential under applicable New Jersey law, Prudential shall, at the request of Lender from time to time, deliver to Lender an updated opinion of counsel to PRISA II addressing such changes.

20. Waiver of Trial By Jury. DEVELOPER, LENDER, SAYREVILLE, LLC, AND PRUDENTIAL EACH KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES THE RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY RELATED HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR ENTERING INTO THIS AGREEMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY DEVELOPER, LENDER, SAYREVILLE, LLC, AND PRUDENTIAL, AND DEVELOPER, LENDER, SAYREVILLE, LLC, AND PRUDENTIAL HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. DEVELOPER, LENDER, SAYREVILLE, LLC, AND PRUDENTIAL ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. DEVELOPER, LENDER, SAYREVILLE, LLC, AND PRUDENTIAL EACH FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS AGREEMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

SIGNATURES ON FOLLOWING PAGES

INTENDING TO BE LEGALLY BOUND HEREBY, EXECUTED AND SEALED as of the day and year first above written.

WITNESS/ATTEST:

BORROWER:

SAYREVILLE SEAPORT ASSOCIATES, L.P.,
a Delaware limited partnership

By: Sayreville Seaport Associates Acquisition
Company, LLC, its general partner

/s/ Unrecognized Signature

By: /s/ Jon Robinson
Name: Jon Robinson
Title: Vice President

(SEAL)

WITNESS/ATTEST:

GENERAL PARTNER:

**SAYREVILLE SEAPORT ASSOCIATES
ACQUISITION COMPANY, LLC,**
a Delaware limited liability company

/s/ Unrecognized Signature

By: /s/ Jon Robinson
Name: Jon Robinson
Title: Vice President

(SEAL)

WITNESS/ATTEST:

OPG:

OPG PARTICIPATION, LLC,
a Pennsylvania limited liability company

/s/ Unrecognized Signature

By: /s/ Jon Robinson
Name: Jon Robinson
Title: Vice President

(SEAL)

WITNESS/ATTEST:

O'NEILL:

/s/ Unrecognized Signature
J. Brian O'Neill, individually

/s/ J. Brian O'Neill

(SEAL)

[Signature Page 1 of 3 - Multi-Party Agreement]

WITNESS/ATTEST:

LENDER:

NL INDUSTRIES, INC.
a New Jersey corporation

/s/ Amanda K. Beer

By: /s/ Robert D. Graham
Name: Robert D. Graham
Title: Vice President & General Counsel

(SEAL)

NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., a New Jersey Corporation

By: /s/ Robert D. Graham
Name: Robert D. Graham
Title: President

SAYREVILLE LLC:

SAYREVILLE PRISA II LLC, a Delaware limited liability company

By: THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, an insurance company organized under the laws of the State of New Jersey, acting solely on behalf of and for the benefit of its insurance company separate account, PRISA II, its sole member

By: /s/ Steven B. LaBold
Name: Steven B. LaBold
Title: Vice President

[Signature Page 2 of 3 - Multi-Party Agreement]

PRUDENTIAL:

THE PRUDENTIAL INSURANCE COMPANY
OF AMERICA, an insurance company organized under the laws of the State of New Jersey, acting solely
on behalf of and for the benefit of, and with its liability limited to the assets of, its insurance company
separate account, PRISA II (except as expressly provided in Section 18 hereof)

By: /s/ Steven B. LaBold
Name: Steven B. LaBold
Title: Vice President

[Signature Page 3 of 3 - Multi-Party Agreement]

**EXHIBIT A
LEGAL DESCRIPTION**

Includes meets and bounds legal description of property parcels C performed by CME Associates dated December 12, 2007.

Exhibit "B"

Compliance Certificate

To: The Lender who is party to the Multi-Party Agreement.

This Compliance Certificate is furnished pursuant to the Multi-Party Agreement dated as of , 2008 (as amended, modified, renewed or extended from time to time, the "Agreement") among The Prudential Insurance Company of America ("Prudential"), acting solely on behalf of and for the benefit of PRISA II ("PRISA II"), SAYREVILLE PRISA II, LLC, a Delaware limited liability company, NL INDUSTRIES, INC., NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., SAYREVILLE SEAPORT ASSOCIATES, L.P., a Delaware limited partnership ("Borrower"); SAYREVILLE SEAPORT ASSOCIATES ACQUISITION COMPANY, LLC, a Delaware limited liability company and general partner of the Borrower (the "General Partner"); OPG PARTICIPATION, LLC, a Pennsylvania limited liability company and limited partner of the Borrower ("OPG"); and J. BRIAN ONEILL. Unless otherwise defined herein, capitalized terms used in this Compliance Certificate have the meanings ascribed thereto in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. The individual signing this certificate is a senior executive of the PRISA II account.
2. Such individual has reviewed the terms of the Agreement and has made, or has caused to be made under his or her supervision, a detailed review of the transactions and conditions of PRISA II and its Consolidated Entities during the accounting period covered by the attached financial statements.
3. The examinations described in paragraph 2 did not disclose, and Prudential has no knowledge of, the existence of any condition or event which constitutes an event which would permit Lender to require payment to it of the Loan Pay-off Capital Contribution pursuant to Section 2(a) of the Agreement during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate.

CONTINUED ON FOLLOWING PAGE

4. Schedule I attached hereto sets forth financial data and computations evidencing PRISA II's compliance with certain covenants of the Agreement, all of which data and computations are true, complete and correct.

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this day of , 200_.

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA, an insurance company organized under the laws of the State of New Jersey, acting solely on behalf of and for the benefit of, and with its liability limited to the assets of, its insurance company separate account, PRISA II (except as expressly provided in Section 18 of the Agreement)

By:
Name:

Title:

Schedule I To Compliance Certificate

19.1 Net Asset Value. PRISA II will at all times maintain a minimum value of Net Assets of \$1,500,000,000.

Show computation:

6.2 Coverage Ratio. PRISA II and its Consolidated Entities on a consolidated basis, shall not, as of any date, permit Total Outstanding Indebtedness to exceed forty percent (40%) of Adjusted Total Assets.

Show computation:

6.3 Fixed Charge Coverage. PRISA II and its Consolidated Entities on a consolidated basis, shall not, as of any date, permit the ratio of Net Investment Income plus Interest Expense plus all ground lease rental expense included in Fixed Charges for the most recent four prior fiscal quarters to Fixed Charges for such period to be less than 2.5 to 1.

Show computation:

Exhibit "C"
Definitions

"Adjusted Total Assets" means Total Assets, plus the Consolidated Group Pro Rata Liquidation Share of all Indebtedness of Non-Consolidated Entities.

"Agreement Accounting Principles" means generally accepted accounting principles in the United States of America as in effect from time to time, applied in a manner consistent with that used in preparing the PRISA II's prior financial statements.

"Assets Under Development" means, as of any date of determination, all Projects and expansion areas of existing Projects owned by the Consolidated Group for which a certificate of occupancy has not been issued, upon which income producing improvements are under construction, and upon which construction is progressing with diligence in accordance with a reasonable, industry standard construction schedule.

"Capitalized Lease" of a Person means any lease of Projects imposing obligations on such Person, as lessee thereunder, which are required in accordance with Agreement Accounting Principles to be capitalized on a balance sheet of such Person.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Consolidated Entity" means an entity which is consolidated with PRISA II in accordance with Agreement Accounting Principles.

"Consolidated Group" means the PRISA II and all Consolidated Entities.

"Consolidated Group Pro Rata Income Share" means, at any time, with respect to any Non-Consolidated Entity, the percentage of a distribution of income of such Non-Consolidated Entity that would be received by the Consolidated Group in the aggregate at such time, upon such distribution of income of such Non-Consolidated Entity, taking into account preferred and priority returns.

"Consolidated Group Pro Rata Liquidation Share" means, with respect to any Non-Consolidated Entity, the percentage of the total market value of such Non-Consolidated Entity that would be received by the Consolidated Group in the aggregate, upon liquidation of such Non-Consolidated Entity after repayment in full of all Indebtedness of such Non-Consolidated Entity.

"Contract Holder" means a person which has made an investment in PRISA II pursuant to a separate account agreement. "Debt Service" means, for any period, Interest Expense for such period, plus scheduled principal amortization payments (excluding balloon payments) on the Total Outstanding

Indebtedness during such period, provided that if Total Outstanding Indebtedness includes less than 100% of the amount of any item of Indebtedness, only the corresponding percentage of the scheduled principal amortization payments on such Indebtedness will be included in Debt Service.

"Fixed Charges" means, for any period, Debt Service for such period, plus all ground lease rental expense of the Consolidated Group accruing during such period, plus the Consolidated Group Pro Rata Income Share of all ground lease rental expense for Non-Consolidated Entities accruing during such period.

"Guarantee Obligation" means, as to any Person (the "guaranteeing person"), any obligation (determined without duplication) of (a) the guaranteeing person or (b) another Person (including, without limitation, any bank under any letter of credit) to induce the creation of which the guaranteeing person has issued a reimbursement, counter-indemnity or similar obligation, in either case guaranteeing or in effect guaranteeing any Indebtedness, leases, dividends or other obligations (the "primary obligations") of any other third Person (the "primary obligor") in any manner, whether directly or indirectly, including, without limitation, any obligation of the guaranteeing person, whether or not contingent, (i) to purchase any such primary obligation or any property constituting direct or indirect security therefor, (ii) to advance or supply funds (1) for the purchase or payment of any such primary obligation or (2) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (iii) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation (but excluding future commitments to purchase assets, but not indebtedness or other liabilities, for the fair market value of such assets as projected by such Person in good faith as of the date of the applicable commitment to purchase) or (iv) otherwise to assure or hold harmless the owner of any such primary obligation against loss in respect thereof; provided, however, that the term Guarantee Obligation shall not include (A) endorsements of instruments for deposit or guarantees of collection in the ordinary course of business or (B) any obligations that do not exceed \$100,000 to the extent the aggregate of such obligations does not exceed \$250,000. The amount of any Guarantee Obligation of any guaranteeing person shall be deemed to be the maximum stated amount of the primary obligation relating to such Guarantee Obligation (or, if less, the maximum stated liability set forth in the instrument embodying such Guarantee Obligation), provided, that in the absence of any such stated amount or stated liability, the amount of such Guarantee Obligation shall be such guaranteeing person's maximum reasonably anticipated liability in respect thereof as determined by the PRISA II in good faith.

"Improper Distributions" means any payments or distributions of any kind whatsoever (whether of cash or property) to or for the benefit of the Contract Holders or any other beneficiary of PRISA II at any time (a) when the Administrative Agent shall have given, notice to Prudential that payment is to be made to it pursuant to Section 2(a), or (b) when, based on the last compliance certificate delivered under Section 19.5(iii), PRISA II is not in full compliance with all financial covenants set forth in Sections 19.1, 19.2 and 19.3, or (c) when the making of such payment or distribution would cause PRISA II to fail to be in full compliance with any of such financial covenants; provided, however, if the event or condition which causes a payment or distribution to constitute an Improper Distribution hereunder is subsequently cured by PRISA II to the satisfaction of Administrative Agent from and after the acceptance of such cure, such payment or distribution shall no longer be deemed to have been an Improper Distribution.

"Indebtedness" of any Person at any date means without duplication, (a) all indebtedness of such Person for borrowed money, (b) all obligations of such Person for the deferred purchase price of property or services (other than current trade liabilities incurred in the ordinary course of business and payable in accordance with customary practices), to the extent such obligations constitute indebtedness for the purposes of Agreement Accounting Principles, (c) any other indebtedness of such Person which is evidenced by a note, bond, debenture or similar instrument, (d) all Capitalized Lease Obligations, (e) all obligations of such Person in respect of acceptances issued or created for the account of such Person, (f) all Guarantee Obligations of such Person (excluding in any calculation of consolidated indebtedness of the PRISA II, Guarantee Obligations of the PRISA II in respect of primary obligations of any Consolidated Entity), (g) all reimbursement obligations of such Person for letters of credit, currency swap agreements, interest rate swaps or other interest rate management products, valued at the amount that would be payable by such Person on account thereof if its obligations thereunder were liquidated on such date, (h) all liabilities secured by any lien (other than liens for taxes not yet due and payable) on any property owned by such Person even though such Person has not assumed or otherwise become liable for the payment thereof, (i) any repurchase obligation or liability of such Person or any of its Consolidated Entities with respect to accounts or notes receivable sold by such Person or any of its Consolidated Entities, (j) any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheet of such Person (but excluding future commitments to purchase assets, but not indebtedness or other liabilities, for the fair market value of such assets as property by such Person

in good faith as of the date of the applicable commitment to purchase) and (k) any loans where such Person is liable as a general partner.

"Interest Expense" means, for any period, all interest expense of the PRISA II and its Consolidated Entities determined in accordance with Agreement Accounting Principles for such period plus (i) capitalized interest accrued during such period with respect to Assets Under Development to the extent not funded from the proceeds of loans secured by such Assets Under Development and (ii) that portion of any accrued, or unpaid interest incurred during such period on any Indebtedness for which the PRISA II is wholly or partially liable under repayment, interest carry, or performance guarantees, provided that no expense shall be included more than once in such calculation even if it falls within more than one of the foregoing categories.

"Net Assets" means the amount reported as "Net Assets, Representing Equity of Contract-Holders" in the PRISA II's financial statements from time to time in accordance with Agreement Accounting Principles.

"Net Investment Income" means the amount reported as such in the PRISA II's financial statements for the Consolidated Group before deduction of any minority interests therein from time to time in accordance with Agreement Accounting Principles.

"Non-Consolidated Entity" means any Person in which the Consolidated Group, directly or indirectly, holds ten percent (10%) or more of such Person's total ownership interests but which does not qualify as a Consolidated Entity.

"Over 10% Contract Holder" means as of any date, a Contract Holder which holds an investment in PRISA II in an amount which (when added to the holdings of any other Plans maintained by the same employer or employee organization) would exceed 10% of the total of all assets in PRISA II, as determined in accordance with Section (a)(1) of PTE 90-1. As of the date hereof the only Over 10% Contract Holder is the one listed on Exhibit C-1 hereto.

"Plan" means an employer pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code.

"Premises" shall mean the "Premises" defined in Recital (A) of the Multi-Party Agreement to which is this Exhibit C is attached.

"Premises of a Person" means any and all Premises, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Total Assets" as of any particular time, means the value (determined applying the same methodology used in preparing the PRISA II's 2004 year-end audited financial statements, with any subsequent changes in such methodology which would affect the calculation of the financial covenants contained herein being approved by the Lenders, such approval not to be unreasonably withheld or delayed) of all assets (as reported in the PRISA II's financial statements for the Consolidated Group) of the Consolidated Group.

"Total Outstanding Indebtedness" means, as of any date of determination, all Indebtedness of PRISA II and its Consolidated Entities outstanding at such date, determined on a consolidated basis in accordance with Agreement Accounting Principles, plus the Consolidated Group Pro Rata Liquidation Share of all Indebtedness of Non-Consolidated Entities.

EXHIBIT C-1
Over 10% Contract Holders

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT (this "Guaranty") is made as of the 15th day of October, 2008 by J. BRIAN O'NEILL, (individually "Guarantor") in favor of NL INDUSTRIES, INC., a New Jersey corporation ("NL Industries") and NL ENVIRONMENTAL MANAGEMENT SERVICES, INC. ("NLEMS") and, collectively with NL Industries, "Lender") and their respective successors and assigns. Capitalized terms not otherwise defined herein shall have the definitions ascribed to them in that certain Reinstated and Amended Settlement Agreement and Release dated June 26, 2008 among Lender, Borrower, the Sayreville Economic and Redevelopment Agency ("SERA") and the County of Middlesex, New Jersey (the "County"), as amended by that Amendment to Reinstated and Amended Settlement Agreement and Release dated as of September 25, 2008 (as amended, the "Settlement Agreement and Release").

PRELIMINARY STATEMENTS

- (1) Sayreville Seaport Associates, L.P., a Delaware limited partnership ("Borrower"), has delivered a Mortgage Note (the "Note") to Lender of even date herewith in the original principal amount of \$15,000,000.00 which Note has been accepted by Lender as a credit against the Initial Payment (as defined in the Settlement Agreement and Release).
- (2) The Note is or will be secured by a Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing dated of even date herewith executed by Borrower in favor of Lender covering the Property as described in the Mortgage (such mortgage, as it may hereafter be renewed, extended, supplemented, increased or modified and in effect from time to time, and any other mortgage or other document given in substitution therefor, or in modification, renewal, or extension thereof, in whole or in part, are herein called the "Mortgage").
- (3) A condition precedent to Lender accepting the Note from Borrower at the Initial Closing is Guarantor's execution and delivery to Lender of this Guaranty.

STATEMENT OF AGREEMENTS

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and as a material inducement to Lender to accept the Note from Borrower, Guarantor hereby guarantees to Lender and agrees to act as surety for the prompt and full payment and performance of the indebtedness and obligations described below in this Guaranty, this Guaranty being upon the following terms and conditions:

Section 1 Payment Obligations.

(a) Interest Obligations. Guarantor hereby, unconditionally and irrevocably guarantees to Lender the punctual payment when due, whether by lapse of time, by acceleration of maturity, or otherwise, of all interest (including any related fees, late charges and interest accruing at the Past Due Rate and/or after the commencement of any bankruptcy or insolvency proceeding by or against Borrower, whether or not allowed in such proceeding) now or hereafter due and owing, or which Borrower is obligated to pay, pursuant to the terms of the Note or the Mortgage.

(b) Amounts not included in Prudential Obligations to Lender. Guarantor hereby, unconditionally and irrevocably guarantees to Lender the payment of any and all amounts due under and pursuant to the Note and which amounts are not included as a part of the Loan Pay-Off Capital Contribution (as such term is defined in the Multi-Party Agreement) payable to Lender by PICA (The Prudential Insurance Company of America, Inc.) under and pursuant to the terms of that certain Multi-Party Agreement of even date herewith by and among Mortgagor, Sayreville Seaport Associates Acquisition Company, LLC, OPG Participation, LLC, J. Brian O'Neill, Mortgagor, Sayreville PRISA II LLC and The Prudential Insurance Company of America, an insurance company organized under the laws of the State of New Jersey acting solely on behalf of, for the benefit of, and with its liability limited to the assets of its insurance company separate account known as PRISA II, except as expressly provided in Section 18 of the Multi-Party Agreement.

The liability and obligations under this Section 1 shall not be limited or restricted by the existence of, or any terms of, the guaranty of specific obligations under Section 2 below

Section 2 Guaranty of Specific Obligations.

Guarantor hereby unconditionally and irrevocably guarantees the payment of, and agrees to protect, defend, indemnify and hold harmless Lender for, from and against, any and all losses, damages or liability which may be suffered or incurred by, imposed on or awarded against Lender as a result of:

(a) Fraud by Borrower or Guarantor in connection with (i) the acquisition of the Borrower's interest in the Property (as defined in the Mortgage) or the management, leasing or operation thereof or (ii) the making or disbursement of the Loan or any certificates or documents provided in connection therewith;

(b) Material misrepresentation or breach of warranty by Guarantor in connection with the acquisition of Borrower's interest in the Property or the management, leasing or operation thereof; (ii) the remediation and/or redevelopment Property or (iii) the making or disbursement of the Loan or any certificates or documents provided in connection therewith;

(c) Material misrepresentation or breach of warranty by Borrower in connection with the acquisition of Borrower's interest in the Property or the management, leasing or operation thereof; (ii) the remediation and/or redevelopment of the Property or (iii) the making or disbursement of the Loan or any certificates or documents provided in connection therewith;

(d) After the occurrence and during the continuance of a Default, distributions to the members, partners or shareholders of Borrower or Guarantor (or to any beneficiary or trustee if Borrower or Guarantor is a trust) of any Rents, security deposits, or other income arising with respect to any property covered by the Mortgage which should have been applied against costs and expenses associated with such property or paid to Lender pursuant to the Note and the Mortgage;

(e) The misapplication by Borrower or Guarantor of any insurance proceeds or condemnation awards attributable to any property covered by the Mortgage which, under the terms thereof, should have been applied otherwise or paid to Lender;

(f) Any filing by Borrower or any general partner of Borrower of a bankruptcy petition, or the making by Borrower or any general partner of Borrower of an assignment for the benefit of creditors, or the appointment of a receiver of any property of Borrower or any general partner of Borrower in any action initiated by, or consented to by, Borrower or such general partner; or

(g) Any acts of Borrower or Guarantor taken in bad faith with the intent to hinder, delay or interfere with the exercise by Lender of any rights and remedies under the Note or the Mortgage after the occurrence of and during the continuance of a Default.

The obligations guaranteed under Section 1 and this Section 2 are collectively referred to herein as the "Guaranteed Obligations". In addition to the Guaranteed Obligations, Guarantor hereby agrees to pay to Lender all costs and expenses incurred by Lender in seeking to enforce Lender's rights and remedies with respect to such Guarantee Obligations or any of them, including, without limitation, court costs, costs of alternative dispute resolution and reasonable attorneys' fees, whether or not suit is filed or other proceedings are initiated thereon. The guaranty of Guarantor as set forth in Section 1 and this Section 2 is a continuing guaranty of payment and not a guaranty of collection.

Notwithstanding anything set forth in this Section 2, the terms of this Section 2 shall in no way amend, modify or waive any rights or obligations of Borrower or Lender under the Settlement Agreement and Release.

Section 3 Primary Liability of Guarantor.

(a) This Guaranty is an absolute, irrevocable and unconditional guaranty of payment and performance, and Guarantor shall be liable for the payment and performance of the Guaranteed Obligations as a primary obligor. This Guaranty shall be effective as a waiver of, and Guarantor hereby expressly waives, any right to which Guarantor may otherwise have been entitled, whether existing under statute, at Law or in equity, to require Lender to take prior recourse or proceedings against any collateral, security or person. It shall not be necessary for Lender, in order to enforce such payment or performance by Guarantor, first to institute suit or pursue or exhaust any rights or remedies against Borrower or other person liable on such indebtedness or for such performance, or to enforce any rights against any security given to secure such indebtedness or performance, or to join Borrower or any other person liable for the payment or performance of the Guaranteed Obligations or any part thereof in any action to enforce this Guaranty, or to resort to any other means of obtaining payment or performance of the Guaranteed Obligations; provided, however, that nothing herein contained shall prevent Lender from suing on the Note or foreclosing the Mortgage.

(b) It shall not be necessary for Lender, in order to enforce such payment or performance by Guarantor, first to institute suit or pursue or exhaust any rights or remedies against Borrower or other person liable on such indebtedness or for such performance, or to enforce any rights against any security given to secure such indebtedness or performance, or to join Borrower or any other Person liable for the payment or performance of the Guaranteed Obligations or any part thereof in any action to enforce this Guaranty, or to resort to any other means of obtaining payment or performance of the Guaranteed Obligations; provided, however, that nothing herein contained shall prevent Lender from suing on the Note or foreclosing the Mortgage and if such foreclosure or other remedy is availed of, only the net proceeds therefrom, after deduction of all charges and expenses of every kind and nature whatsoever, shall be applied in reduction of the amount due on the Note and the Mortgage, and Lender shall not be required to institute or prosecute proceedings to recover any deficiency as a condition of payment hereunder or enforcement hereof. At any sale of Borrower's interest in the Property or other collateral given for the indebtedness due under the Note (the "Indebtedness") or any part thereof, whether by foreclosure or otherwise, Lender may at its discretion purchase all or any part of Borrower's interest in the Property or collateral so sold or offered for sale for its own account and may, in payment of the amount bid therefor, deduct such amount from the balance due it pursuant to the terms of the Note.

(c) Suit may be brought or demand may be made against Borrower or against any or all parties who have signed this Guaranty or any other guaranty covering all or any part of the Guaranteed Obligations, or against any one or more of them, separately or together, without impairing the rights of Lender against any party hereto. Any time that Lender is entitled to exercise its rights or remedies hereunder, it may in its discretion elect to demand payment and/or performance. If Lender elects to demand performance, it shall at all times thereafter have the right to demand payment until all of the Guaranteed Obligations have been paid and performed in full. If Lender elects to demand payment, it shall at all times thereafter have the right to demand performance until all of the Guaranteed Obligations have been paid and performed in full.

Section 4. Certain Agreements and Waivers by Guarantor.

(a) Guarantor agrees that neither Lender's rights or remedies nor Guarantor's obligations under the terms of this Guaranty shall be released, diminished, impaired, reduced or affected by any one or more of the following events, actions, facts, or circumstances, and the liability of Guarantor under this Guaranty shall be absolute, unconditional and irrevocable irrespective of:

- i. any limitation on the liability of, or recourse against, any other person in the Note or the Mortgage or arising under any Law;
- ii. any claim or defense that this Guaranty was made without consideration or is not supported by adequate consideration or that the obligations of Guarantor hereunder exceed or are more burdensome than those of Borrower under the Note or the Mortgage;
- iii. the taking or accepting of any other security or guaranty for, or right of recourse with respect to, any or all of the Guaranteed Obligations;
- iv. the operation of any statutes of limitation or other laws regarding the limitation of actions, all of which are hereby waived as a defense to any action or proceeding brought by Lender against Guarantor, to the fullest extent permitted by Law;
- v. any homestead exemption or any other exemption under applicable law;
- vi. any release, surrender, abandonment, exchange, alteration, sale or other disposition, subordination, deterioration, waste, failure to protect or preserve, impairment, or loss of, or any failure to create or perfect any lien or security interest with respect to, or any other dealings with, any collateral or security at any time existing or purported, believed or expected to exist in connection with any or all of the Guaranteed Obligations, or any impairment of Guarantor's recourse against any person or collateral;
- vii. whether express or by operation of law, any partial release of the liability of Guarantor hereunder (except to the extent expressly so released) or any complete or partial release of Borrower or any other person liable, directly or indirectly, for the payment or performance of any or all of the Guaranteed Obligations;
- viii. the death, insolvency, bankruptcy, disability, dissolution, liquidation, termination, receivership, reorganization, merger, consolidation, change of form, structure or ownership, sale of all assets, or lack of corporate, partnership or other power of Borrower or any other person at any time liable for the payment or performance of any or all of the Guaranteed Obligations;
- ix. either with or without notice to or consent of Guarantor, any renewal, extension, modification, supplement, subordination or rearrangement of the terms of any or all of the Guaranteed Obligations and/or the Note or the Mortgage, including without limitation, material alterations of the terms of payment (including changes in maturity date(s) and interest rate(s)) or performance or any other terms thereof, or any waiver, termination, or release of, or consent to departure from, the Note or the Mortgage or any other guaranty of any or all of the Guaranteed Obligations, or any adjustment, indulgence, forbearance, or compromise that may be granted from time to time by Lender to Borrower or any other person at any time liable for the payment or performance of any or all of the Guaranteed Obligations;
- x. any neglect, lack of diligence, delay, omission, failure, or refusal of Lender to take or prosecute (or in taking or

prosecuting) any action for the collection or enforcement of any of the Guaranteed Obligations, or to foreclose or take or prosecute any action to foreclose (or in foreclosing or taking or prosecuting any action to foreclose) upon any security therefor, or to exercise (or in exercising) any other right or power with respect to any security therefor, or to take or prosecute (or in taking or prosecuting) any action in connection with the Note or the Mortgage, or any failure to sell or otherwise dispose of in a commercially reasonable manner any collateral securing any or all of the Guaranteed Obligations;

xi. any failure of Lender to notify Guarantor of any creation, renewal, extension, rearrangement, modification, supplement, subordination, or assignment of the Guaranteed Obligations or any part thereof, or of the Note or Mortgage, or of any release of or change in any security, or of the occurrence or existence of any default, or of any other action taken or refrained from being taken by Lender against Borrower or any security or other recourse, or of any new agreement between Lender and Borrower, it being understood that Lender shall not be required to give Guarantor any notice of any kind under any circumstances with respect to or in connection with the Guaranteed Obligations, any and all rights to notice Guarantor may have otherwise had being hereby waived by Guarantor, and Guarantor shall be responsible for obtaining for itself information regarding Borrower, including, but not limited to, any changes in the business or financial condition of Borrower, and Guarantor acknowledges and agrees that Lender shall have no duty to notify Guarantor of any information which Lender may have concerning Borrower;

xii. if for any reason Lender is required to refund any payment by Borrower to any other party liable for the payment or performance of any or all of the Guaranteed Obligations or pay the amount thereof to someone else;

xiii. the making of advances by Lender to protect its interest in the collateral for the Indebtedness, preserve the value of such collateral or for the purpose of performing any term or covenant contained in the Note or the Mortgage;

xiv. the existence of any claim, counterclaim, set-off or other right that Guarantor may at any time have against Borrower, Lender, or any other person, whether or not arising in connection with this Guaranty, the Note or the Mortgage;

xv. the unenforceability of all or any part of the Guaranteed Obligations against Borrower, whether because the Guaranteed Obligations exceed the amount permitted by Law or violate any usury law, or because the act of creating the Guaranteed Obligations, or any part thereof, is ultra vires, or because the officers or persons creating the Guaranteed Obligations acted in excess of their authority, or because of a lack of validity or enforceability of or defect or deficiency in any of the Loan Documents, or because Borrower has any valid defense, claim or offset with respect thereto, or because Borrower's obligation ceases to exist by operation of law, or because of any other reason or circumstance, it being agreed that Guarantor shall remain liable hereon regardless of whether Borrower or any other person be found not liable on the Guaranteed Obligations, or any part thereof, for any reason (and regardless of any joinder of Borrower or any other party in any action to obtain payment or performance of any or all of the Guaranteed Obligations);

xvi. any order, ruling or plan of reorganization emanating from proceedings under Title 11 of the United States Code with respect to Borrower or any other Person, including any extension, reduction, composition, or other alteration of the Guaranteed Obligations, whether or not consented to by Lender, or any action taken or omitted by Lender in any such proceedings, including any election to have Lender's claim allowed as being secured, partially secured or unsecured, any extension of credit by Lender in any such proceedings or the taking and holding by Lender of any security for any such extension of credit;

xvii. any other condition, event, omission, action or inaction that would in the absence of this paragraph result in the release or discharge of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty or any other agreement;

xviii. any early termination of any of the Guaranteed Obligations; or

xix. Lender's enforcement or forbearance from enforcement of the Guaranteed Obligations on a net or gross basis.

(b) In the event any payment by Borrower or any other Person to Lender is held to constitute a preference, fraudulent transfer or other voidable payment under any bankruptcy, insolvency or similar Law, or if for any other reason Lender is required to refund such payment or pay the amount thereof to any other party, such payment by Borrower or any other party to Lender shall not constitute a release of Guarantor from any liability hereunder, and this Guaranty shall continue to be effective or shall be reinstated (notwithstanding any prior release, surrender or discharge by Lender of this Guaranty or of Guarantor), as the case may be, with respect to, and this Guaranty shall apply to, any and all amounts so refunded by Lender or paid by Lender to another person (which amounts shall constitute part of the Guaranteed Obligations), and any interest paid by Lender and any reasonable attorneys' fees, costs and expenses paid or incurred by Lender in connection with any such event.

(c) It is the intent of Guarantor and Lender that the obligations and liabilities of Guarantor hereunder are absolute, irrevocable and unconditional under any and all circumstances and that until the Guaranteed Obligations are fully and finally paid and performed, and not subject to refund or disgorgement, the obligations and liabilities of Guarantor hereunder shall not be discharged or released, in whole or in part, by any act or occurrence that might, but for the provisions of this Guaranty, be deemed a legal or equitable discharge or release of a guarantor.

(d) Guarantor's obligations shall not be affected, impaired, lessened or released by loans, credits or other financial accommodations now existing or hereafter advanced by Lender to Borrower in excess of the Guaranteed Obligations. All payments, repayments and prepayments of the Indebtedness, whether voluntary or involuntary, received by Lender from Borrower, any other person or any other source (other than from Guarantor pursuant to a demand by Lender hereunder), and any amounts realized from any collateral for the Loan, shall be deemed to be applied first to any portion of the Note which is not covered by this Guaranty, and last to the Guaranteed Obligations, and this Guaranty shall bind Guarantor to the extent of any Guaranteed Obligations that may remain owing to Lender. Lender shall have the right to apply any sums paid by Guarantor to any portion of the Note in Lender's sole and absolute discretion.

(e) If acceleration of the time for payment of any amount payable by Borrower under the Note, the Mortgage is stayed or delayed by any Law or tribunal, all such amounts shall nonetheless be payable by Guarantor on demand by Lender.

Section 5 Subordination.

If, for any reason whatsoever, Borrower is now or hereafter becomes indebted to Guarantor:

(a) such indebtedness and all interest thereon and all liens, security interests and rights now or hereafter existing with respect to property of Borrower securing such indebtedness shall, at all times, be subordinate in all respects to the Guaranteed Obligations and to all liens, security interests and rights now or hereafter existing to secure the Guaranteed Obligations;

(b) Guarantor shall not be entitled to enforce or receive payment, directly or indirectly, of any such indebtedness of Borrower to Guarantor until the Guaranteed Obligations have been fully and finally paid and performed; provided, however, that so long as no default shall have occurred and be continuing, Guarantor shall not be prohibited from receiving such (i) reasonable management fees or reasonable salary from Borrower as Lender may find

acceptable from time to time in its sole and absolute discretion, and (ii) distributions from Borrower in an amount equal to any income taxes imposed on Guarantor which are attributable to Borrower's income from the Property;

(c) Guarantor hereby assigns and grants to Lender a security interest in all such indebtedness and security therefor, if any, of Borrower to Guarantor now existing or hereafter arising, including any dividends and payments pursuant to debtor relief or insolvency proceedings referred to below. In the event of receivership, bankruptcy, reorganization, arrangement or other debtor relief or insolvency proceedings involving Borrower as debtor, Lender on behalf of itself and each and every other Lender shall have the right to prove its claim in any such proceeding so as to establish its rights hereunder and shall have the right to receive directly from the receiver, trustee or other custodian (whether or not a default shall have occurred or be continuing under the Note or the Mortgage), dividends and payments that are payable upon any obligation of Borrower to Guarantor now existing or hereafter arising, and to have all benefits of any security therefor, until the Guaranteed Obligations have been fully and finally paid and performed. If, notwithstanding the foregoing provisions, Guarantor should receive any payment, claim or distribution that is prohibited as provided above in this Section 4, Guarantor shall pay the same to Lender immediately, Guarantor hereby agreeing that it shall receive the payment, claim or distribution in trust for Lender and shall have absolutely no dominion over the same except to pay it immediately to Lender; and

(d) Guarantor shall promptly upon request of Lender from time to time execute such documents and perform such acts as Lender may require to evidence and perfect its interest and to permit or facilitate exercise of its rights under this Section 5, including, but not limited to, execution and delivery of proofs of claim, further assignments and security agreements, and delivery to Lender of any promissory notes or other instruments evidencing indebtedness of Borrower to Guarantor. All promissory notes, accounts receivable ledgers or other evidences, now or hereafter held by Guarantor, of obligations of Borrower to Guarantor shall contain a specific written notice thereon that the indebtedness evidenced thereby is subordinated under and is subject to the terms of this Guaranty.

Section 6 Other Liability of Guarantor or Borrower.

If Guarantor is or becomes liable, by endorsement or otherwise, for any indebtedness owing by Borrower to Lender other than under this Guaranty, such liability shall not be in any manner impaired or affected hereby, and the rights of Lender hereunder shall be cumulative of any and all other rights that Lender may have against Guarantor. If Borrower is or becomes indebted to Lender for any indebtedness other than or in excess of the Indebtedness for which Guarantor is liable under this Guaranty, any payment received or recovery realized upon such other indebtedness of Borrower to Lender may be applied to such other indebtedness. This Guaranty is independent of (and shall not be limited by) any other guaranty now existing or hereafter given. Further, Guarantor's liability under this Guaranty is in addition to any and all other liability Guarantor may have in any other capacity, including without limitation, if applicable, its capacity as a general partner.

Section 7 Lender Assigns.

This Guaranty is for the benefit of Lender and Lender's successors and assigns, and in the event of an assignment of the Guaranteed Obligations, or any part thereof, the rights and benefits hereunder, to the extent applicable to the Guaranteed Obligations so assigned, may be transferred with such Guaranteed Obligations. Guarantor waives notice of any transfer or assignment of the Guaranteed Obligations or any part thereof and agrees that failure to give notice of any such transfer or assignment will not affect the liabilities of Guarantor hereunder. Lender may sell or offer to sell the Loan or interests therein to one or more assignees or participants. Guarantor shall execute, acknowledge and deliver any and all instruments reasonably requested by Lender in connection therewith, and to the extent, if any, specified in any such assignment or participation, such assignee(s) or participant(s) shall have the same rights and benefits with respect to the Note and the Mortgage as such person(s) would have if such person(s) were Lender hereunder.

Section 8 Binding Effect; Joint and Several Liability.

This Guaranty is binding not only on Guarantor, but also on Guarantor's heirs, personal representatives, successors and assigns. Upon the death of Guarantor, if Guarantor is a natural person, this Guaranty shall continue against Guarantor's estate as to all of the Guaranteed Obligations, including that portion incurred or arising after the death of Guarantor and shall be provable in full against Guarantor's estate, whether or not the Guaranteed Obligations are then due and payable. If this Guaranty is signed by more than one Person, then all of the obligations of Guarantor arising hereunder shall be jointly and severally binding on each of the undersigned, and their respective heirs, personal representatives, successors and assigns, and the term "Guarantor" shall mean all of such Persons and each of them individually.

Section 9 Governing Law; Forum; Consent to Jurisdiction.

The validity, enforcement, and interpretation of this Guaranty, shall for all purposes be governed by and construed in accordance with the laws of the State of New Jersey and applicable United States federal law, and is intended to be performed in accordance with, and only to the extent permitted by, such laws. All obligations of Guarantor hereunder are payable and performable at the place or places where the Guaranteed Obligations are payable and performable. Guarantor hereby irrevocably submits generally and unconditionally for Guarantor and in respect of Guarantor's property to the non-exclusive jurisdiction of any state court, or any United States federal court, sitting in the State of New Jersey, over any suit, action or proceeding arising out of or relating to this Guaranty or the Guaranteed Obligations. Guarantor hereby irrevocably waives, to the fullest extent permitted by law, any objection that Guarantor may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon Guarantor and may be enforced in any court in which Guarantor is subject to jurisdiction. Guarantor hereby agrees and consents that, in addition to any methods of service of process provided for under applicable law, all service of process in any such suit, action or proceeding in any state court, or any United States federal court, sitting in the state specified in the first sentence of this Section may be made by certified or registered mail, return receipt requested, directed to Guarantor at the address set forth at the end of this Guaranty, or at a subsequent address of which Lender receives actual notice from Guarantor in accordance with the notice provisions hereof, and service so made shall be complete five (5) days after the same shall have been so mailed. Nothing hereon shall affect the right of Lender to serve process in any manner permitted by law or limit the right of Lender to bring proceedings against Guarantor in any other court or jurisdiction. Guarantor hereby releases, to the extent permitted by applicable law, all errors and all rights of exemption, appeal, stay of execution, inquisition, and other rights to which Guarantor may otherwise be entitled under the laws of the United States of America or any State or possession of the United States of America now in force or which may hereinafter be enacted. The authority and power to appear for and enter judgment against the Guarantor shall not be exhausted by one or more exercises thereof or by any imperfect exercise thereof and shall not be extinguished by any judgment entered pursuant thereto. Such authority may be exercised on one or more occasions or from time to time in the same or different jurisdiction as often as the Lender shall deem necessary and desirable.

Section 10 Invalidity of Certain Provisions.

If any provision of this Guaranty or the application thereof to any person or circumstance shall, for any reason and to any extent, be declared to be invalid or unenforceable, neither the remaining provisions of this Guaranty nor the application of such provision to any other person or circumstance shall be affected thereby, and the remaining provisions of this Guaranty, or the applicability of such provision to other persons or circumstances, as applicable, shall remain in effect and be enforceable to the maximum extent permitted by applicable law.

Section 11 Costs and Expenses of Enforcement.

Guarantor agrees to pay to Lender on demand all costs and expenses incurred by Lender in seeking to enforce Lender's rights and remedies under

this Guaranty, including, without limitation, court costs, costs of alternative dispute resolution and reasonable attorneys' fees, whether or not suit is filed or other proceedings are initiated hereon. All such costs and expenses incurred by Lender shall constitute a portion of the Guaranteed Obligations hereunder, shall be subject to the provisions hereof with respect to the Guaranteed Obligations and shall be payable by Guarantor on demand by Lender.

Section 12 No Usury.

It is not the intention of Lender or Guarantor to obligate Guarantor to pay interest in excess of that lawfully permitted to be paid by Guarantor under applicable law. Should it be determined that any portion of the Guaranteed Obligations or any other amount payable by Guarantor under this Guaranty constitutes interest in excess of the maximum amount of interest that Guarantor, in Guarantor's capacity as guarantor, may lawfully be required to pay under applicable law, the obligation of Guarantor to pay such interest shall automatically be limited to the payment thereof in the maximum amount so permitted under applicable law. The provisions of this Section shall override and control all other provisions of this Guaranty and of any other agreement between Guarantor and Lender.

Section 13 Representations, Warranties, and Covenants of Guarantor.

Guarantor hereby represents, warrants, and covenants that (a) Guarantor has a financial interest in Borrower and will derive a material and substantial benefit, directly or indirectly, from Lender accepting the Note from Borrower and from the making of this Guaranty by Guarantor; (b) this Guaranty is duly authorized and valid, and is binding upon and enforceable against Guarantor; (c) Guarantor is not, and the execution, delivery and performance by Guarantor of this Guaranty will not cause Guarantor to be, in violation of or in default with respect to any law or in default (or at risk of acceleration of indebtedness) under any agreement or restriction by which Guarantor is bound or affected; (d) Guarantor has full power and authority to enter into and perform this Guaranty; (e) Guarantor will indemnify the Lender from any loss, cost or expense actually incurred as a result of any representation or warranty of the Guarantor being false, incorrect, incomplete or misleading in any material respect; (f) after giving effect to this Guaranty, Guarantor is solvent, and does not intend to incur or believe that he will incur debts that will be beyond his ability to pay as such debts mature; (g) Lender has no duty at any time to investigate or inform Guarantor of the financial or business condition or affairs of Borrower or any change therein, and Guarantor will keep fully apprised of Borrower's financial and business condition; (h) Guarantor acknowledges and agrees that Guarantor may be required to pay and perform the Guaranteed Obligations in full without assistance or support from the Borrower or any other person; (i) Guarantor has read and fully understands the provisions contained in the Note and the Mortgage. Guarantor shall immediately notify Lender of the occurrence of any material adverse change in the financial condition of Guarantor. Guarantor's representations, warranties and covenants are a material inducement to Lender to accept the Note from Borrower and shall survive the execution hereof and any bankruptcy, foreclosure, transfer of security or other event affecting Borrower, Guarantor, any other party, or any security for all or any part of the Guaranteed Obligations.

Guarantor's representations, warranties and covenants are a material inducement to Lender to accept the Note from Borrower and shall survive the execution hereof and any bankruptcy, foreclosure, transfer of security or other event affecting Borrower, Guarantor, any other party, or any security for all or any part of the Guaranteed Obligations.

Section 14 Notices.

All notices, requests, consents, demands and other communications required or which any party desires to give hereunder or under the Note and the Mortgage shall be in writing and, unless otherwise specifically provided in the Note or the Mortgage, shall be deemed sufficiently given or furnished if delivered by personal delivery, by nationally recognized overnight courier service, or by certified United States mail, postage prepaid, addressed to the party to whom directed at the addresses specified in this Guaranty unless changed by similar notice in writing given by the particular party whose address is to be changed) or by facsimile (with a confirmatory duplicate copy sent by first class United States mail). Any such notice or communication shall be deemed to have been given either at the time of personal delivery or, in the case of courier or mail, as of the date of first attempted delivery at the address and in the manner provided herein, or, in the case of facsimile, upon receipt; provided that service of a notice required by any applicable statute shall be considered complete when the requirements of that statute are met. Notwithstanding the foregoing, no notice of change of address shall be effective except upon actual receipt. This Section shall not be construed in any way to affect or impair any waiver of notice or demand provided in this Guaranty or in the Note or the Mortgage or to require giving of notice or demand to or upon any person in any situation or for any reason.

Section 15 Cumulative Rights.

All of the rights and remedies of Lender under this Guaranty and the Note and the Mortgage are cumulative of each other and of any and all other rights at law or in equity, and the exercise by Lender of any one or more of such rights and remedies shall not preclude the simultaneous or later exercise by Lender of any or all such other rights and remedies. No single or partial exercise of any right or remedy shall exhaust it or preclude any other or further exercise thereof, and every right and remedy may be exercised at any time and from time to time. No failure by Lender to exercise, nor delay in exercising, any right or remedy shall operate as a waiver of such right or remedy or as a waiver of any default. No notice to or demand on Guarantor in any case shall of itself entitle Guarantor to any other or further notice or demand in similar or other circumstances. No provision of this Guaranty or any right or remedy of Lender with respect hereto, or any default or breach, can be waived, nor can this Guaranty or Guarantor be released or discharged in any way or to any extent, except specifically in each case by a writing intended for that purpose (and which refers specifically to this Guaranty) executed and delivered by Lender to Guarantor.

Section 16 Term of Guaranty.

This Guaranty shall continue in effect until all the Guaranteed Obligations and all of the obligations of Guarantor to Lender under this Guaranty are fully and finally paid, performed and discharged and are not subject to any bankruptcy preference period or any other disbursement.

Section 17 Subrogation.

Guarantor shall not have any right of subrogation under any of the Loan Documents or any right to participate in any security for the Guaranteed Obligations or any right to reimbursement, exoneration, contribution, indemnification or any similar rights, until the Guaranteed Obligations have been fully and finally paid, performed and discharged in accordance with Section 16 above, and Guarantor hereby waives all of such rights.

Section 18 Time of Essence.

Time shall be of the essence in this Guaranty with respect to all of Guarantor's obligations hereunder.

Section 19 Entire Agreement; Counterparts; Construction.

This Guaranty embodies the entire agreement between Lender and Guarantor with respect to the guaranty by Guarantor of the Guaranteed Obligations. This Guaranty supersedes all prior agreements and understandings, if any, with respect to the guaranty by Guarantor of the Guaranteed Obligations. This Guaranty shall be effective upon execution by Guarantor and delivery to Lender. This Guaranty may not be modified, amended or superseded except in a writing signed by Lender and Guarantor referencing this Guaranty by its date and specifically identifying the portions hereof that are to be modified, amended or superseded. This Guaranty has been executed in a number of identical counterparts, each of which shall be deemed an original

for all purposes and all of which constitute, collectively, one agreement. As used herein, the words "include" and "including" shall be interpreted as if followed by the words "without limitation."

Section 20 Forum.

Guarantor hereby irrevocably submits generally and unconditionally for itself and in respect of its property to the jurisdiction of any state court or any United States federal court sitting in the State specified in the governing law section of this Guaranty and to the jurisdiction of any state court or any United States federal court sitting in the state in which any of the Property is located, over any dispute. Guarantor hereby irrevocably waives, to the fullest extent permitted by Law, any objection that Guarantor may now or hereafter have to the laying of venue in any such court and any claim that any such court is an inconvenient forum. Guarantor hereby agrees and consents that, in addition to any methods of service of process provided for under applicable law, all service of process in any such suit, action or proceeding in any state court or any United States federal court sitting in the state specified in the governing law section of this Guaranty may be made by certified or registered mail, return receipt requested, directed to Guarantor at its address for notice set forth in this Guaranty, or at a subsequent address of which Lender received actual notice from Guarantor in accordance with the notice section of this Guaranty, and service so made shall be complete five (5) days after the same shall have been so mailed. Nothing herein shall affect the right of Lender to serve process in any manner permitted by law or limit the right of Lender to bring proceedings against Guarantor in any other court or jurisdiction. Guarantor hereby releases, to the extent permitted by applicable law, all errors and all rights of exemption, appeal, stay of execution, inquisition, and other rights to which Guarantor may otherwise be entitled under the laws of the United States of America or of any state of possession of the United States of America now in force and which may hereinafter be enacted. The authority and power to appear for and enter judgment against Guarantor shall not be exhausted by one or more exercises thereof or by any imperfect exercise thereof and shall not be extinguished by any judgment entered pursuant thereto. Such authority may be exercised on one or more occasions or from time to time in the same or different jurisdiction as often as Lender shall deem necessary and desirable, for all of which this Guaranty shall be sufficient warrant.

Section 21 **WAIVER OF JURY TRIAL.**

IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS GUARANTY. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY GUARANTOR AND LENDER, AND GUARANTOR AND LENDER HEREBY REPRESENT THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY PERSON OR ENTITY TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THE NOTE AND MORTGAGE. GUARANTOR AND LENDER ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS SECTION IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER OF JURY TRIAL. GUARANTOR FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN THE SIGNING OF THIS GUARANTY AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL, AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

THE NOTE AND MORTGAGE REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

SIGNATURE OF GUARANTOR ON FOLLOWING PAGE

IN WITNESS WHEREOF, Guarantor duly executed this Guaranty under seal as of the date first written above.

GUARANTOR:

The address of Guarantor is:

930 Stoke Road
Villanova, Pennsylvania 19085
Fax No. (610) 878-7466

/s/ J. Brian O'Neill
J. Brian O'Neill

(SEAL)

With a copy to:

Macartney, Mitchell & Campbell, LLC
2701 Renaissance Boulevard
4th Floor
King of Prussia, PA 19046
Attn: Sean E. Mitchell, Esq.
Fax No: (215) 689-2767

Address of Lender:

NL Environmental Management Services, Inc.
NL Industries, Inc.
5430 LBJ Freeway
Suite 1700
Dallas, TX 75240
Attention: General Counsel

with a copy to:

Christopher R. Gibson, Esq.
Archer & Greiner, P.C.
One Centennial Square
Haddonfield, NJ 08033

COMMONWEALTH OF PENNSYLVANIA, COUNTY OF MONTGOMERY, TO WIT:

I HEREBY CERTIFY, that on this 15th day of October, 2008, before me, the undersigned Notary Public of said State, personally appeared J. Brian O'Neill, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

/s/ Harry A. Reichner
Harry A. Reichner, Notary Public

My Commission Expires: November 13, 2010

FOURTH AMENDMENT TO CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO CREDIT AGREEMENT AND CONSENT (this "Amendment") is made as of the 10th day of May, 2010, by and among COMPX INTERNATIONAL INC. (the "Borrower"), COMPX SECURITY PRODUCTS INC., COMPX PRECISION SLIDES INC., COMPX MARINE INC., CUSTOM MARINE INC. (f/k/a CUSTOM MARINE ACQUISITION, INC.), LIVORSI MARINE, INC., WELLS FARGO BANK, NATIONAL ASSOCIATION, successor-by-merger to Wachovia Bank, National Association, as Administrative Agent (in such capacity, the "Administrative Agent") and a Lender (as defined below), and COMERICA BANK, as a Lender.

RECITALS:

The Borrower, the Administrative Agent and the Lenders have entered into a certain Credit Agreement dated as of December 23, 2005, as amended by the First Amendment thereto dated as of October 16, 2007, the Second Amendment thereto dated as of January 15, 2009 and the Third Amendment thereto dated as of September 21, 2009 (as so amended, the "Credit Agreement"). Capitalized terms used in this Amendment that are not otherwise defined in this Amendment shall have the respective meanings assigned to them in the Credit Agreement. In connection with the Credit Agreement, the Subsidiary Guarantors have executed the Subsidiary Guaranty Agreement in favor of the Administrative Agent, for the ratable benefit of the Administrative Agent and the Lenders.

The Borrower and the Subsidiary Guarantors have requested certain amendments to the Credit Agreement and that the Lenders consent to certain matters, as more fully described herein, and, subject to the terms and conditions in this Amendment, the Administrative Agent and the Lenders have agreed to such amendments and to provide such consent.

NOW, THEREFORE, in consideration of these Recitals and the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower, the Subsidiary Guarantors, the Administrative Agent and the Lenders, intending to be legally bound hereby, agree as follows:

SECTION 1. Recitals. The Recitals are incorporated herein by reference and shall be deemed to be a part of this Amendment.

SECTION 2. Amendment.

(a) Section 1.1 of the Credit Agreement is hereby amended by adding the following new definitions in appropriate alphabetical order:

"Fourth Amendment" means the Fourth Amendment and Consent dated as of May 10, 2010, by and among the Borrower, the Subsidiary Guarantors, the Administrative Agent and the Lenders.

" Fourth Amendment Effective Date" shall have the meaning assigned to such term in the Fourth Amendment.

"Multi-Party Agreement" shall have the meaning assigned to such term in the Fourth Amendment.

"Sayreville Note" shall have the meaning assigned to such term in the Fourth Amendment.

(b) Section 10.3 of the Credit Agreement is hereby amended by (i) deleting the word "and" immediately after the semicolon in clause (f) of such Section, (ii) replacing the period at the end of clause (g) with the text "; and" and (iii) adding a new clause (h) to such Section to read as follows:

(h) the investment in the loan evidenced by the Sayreville Note; provided that (x) the indebtedness evidenced thereby shall (i) be payable in full no later than October 15, 2011, (ii) not be amended or otherwise modified (including by consent or waiver to any departure from the terms thereof) after the Fourth Amendment Effective Date without the prior written approval of the Required Lenders and (iii) be guaranteed on an absolute, irrevocable and unconditional basis by The Prudential Insurance Company of America ("Prudential") up to the amount of the net assets of PRISA II (an open-ended, commingled insurance company separate account of Prudential) but on a non-recourse basis to the other assets of Prudential not held for PRISA II, all pursuant to the provisions of the Multi-Party Agreement as in effect on the Fourth Amendment Effective Date (or shall be subject to such other credit support arrangements as may be approved in writing by the Required Lenders) and (y) at the time of the making of such investment, no default shall exist and be continuing under the Sayreville Note or the Multi-Party Agreement.

SECTION 3. Consent.

(a) Subject to compliance with the terms of this Amendment, notwithstanding anything in Section 10.8 of the Credit Agreement, the Administrative Agent and the Lenders hereby consent to the purchase by the Borrower from certain of its Affiliates of the indebtedness that is evidenced by the Sayreville Note (as defined in Section 6(f)) and is subject to the credit support arrangements set forth in the Multi-Party Agreement (as defined in Section 6(g)) (such purchase, the "Sayreville Note Purchase").

(b) The foregoing consent is limited solely to the Sayreville Note Purchase, and nothing contained herein shall (i) modify the Borrower's or the Subsidiary Guarantors' respective obligations to comply fully with all duties, terms, conditions, or covenants contained in the Loan Documents or (ii) be deemed to constitute a consent to waiver of any other rights or remedies any Lender or the Administrative Agent may have under any Loan Documents or under Applicable Law with respect to any matters. Nothing in Section 2 or this Section 3 shall be deemed to give rise to any obligation of the Lenders or the Administrative Agent to amend, modify, or waive any provision of the Credit Agreement (other than as expressly set forth in this Amendment) or any other Loan Document. The provisions and agreements set forth in Section 2 and this Section 3 shall not establish a custom or course of dealing or conduct between any Lender or the Administrative Agent and Borrower.

SECTION 4. Conditions to Effectiveness. The effectiveness of this Amendment and the obligations of the Lenders hereunder are subject to the following conditions, unless the Required Lenders waive such conditions:

- (a) receipt by the Administrative Agent from each of the parties hereto of a duly executed counterpart of this Amendment signed by such party;
- (b) receipt by the Administrative Agent of all documents which the Administrative Agent may reasonably request;
- (c) the fact that the representations and warranties of the Borrower and the Subsidiary Guarantors contained in Section 6 of this Amendment shall be true on and as of the date hereof except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true on and as of such earlier date;
- (d) receipt by the Administrative Agent of all accrued and unpaid fees and other amounts owing by Borrower and the Subsidiary Guarantors under the Loan Documents; and
- (e) all other documents and legal matters in connection with the transactions contemplated by this Amendment shall be reasonably satisfactory in form and substance to the Administrative Agent and its counsel.

SECTION 5. No Other Amendment. Except for the amendments set forth above, the text of the Credit Agreement shall remain unchanged and in full force and effect. On and after the Fourth Amendment Effective Date (as defined below), all references to the Credit Agreement in each of the Loan Documents shall hereafter mean the Credit Agreement as amended by this Amendment. This Amendment is not intended to effect, nor shall it be construed as, a novation. The Credit Agreement and this Amendment shall be construed together as a single agreement. This amendment shall constitute a Loan Document under the terms of the Credit Agreement. Nothing herein contained shall waive, annul, vary or affect any provision, condition, covenant or agreement contained in the Credit Agreement, except as herein amended, nor affect nor impair any rights, powers or remedies under the Credit Agreement as hereby amended. The Lenders and the Administrative Agent do hereby reserve all of their rights and remedies against all parties who may be or may hereafter become secondarily liable for the repayment of the Notes. The Borrower and the Subsidiary Guarantors promise and agree to perform all of the requirements, conditions, agreements and obligations under the terms of the Credit Agreement, as heretofore and hereby amended, the Credit Agreement, as amended, and the other Loan Documents being hereby ratified and affirmed. The Borrower and the Subsidiary Guarantors hereby expressly agree that the Credit Agreement, as amended, and the other Loan Documents are in full force and effect.

SECTION 6. Representations and Warranties. The Borrower and the Subsidiary Guarantors hereby represent and warrant to each of the Lenders as follows:

- (a) No Default or Event of Default under the Credit Agreement or any other Loan Document has occurred and is continuing unwaived by the Lenders on the date hereof.
- (b) The Borrower and the Subsidiary Guarantors have the power and authority to enter into this Amendment and to do all acts and things as are required or contemplated hereunder to be done, observed and performed by them.
- (c) This Amendment has been duly authorized, validly executed and delivered by one or more authorized officers of the Borrower and the Subsidiary Guarantors and constitutes the legal, valid and binding obligations of the Borrower and the Subsidiary Guarantors enforceable against them in accordance with its terms, provided that such enforceability is subject to general principles of equity.
- (d) The execution and delivery of this Amendment and the performance by the Borrower and the Subsidiary Guarantors hereunder does not and will not, as a condition to such execution, delivery and performance, require the consent or approval of any regulatory authority or governmental authority or agency having jurisdiction over the Borrower, or any Subsidiary Guarantor, nor be in contravention of or in conflict with the articles of incorporation, bylaws or other organizational documents of the Borrower, or any Subsidiary Guarantor or the provision of any statute, or any judgment, order or indenture, instrument, agreement or undertaking, to which the Borrower, or any Subsidiary Guarantor is party or by which the assets or properties of the Borrower or the Subsidiary Guarantors are or may become bound.
- (e) The Collateral Agreement continues to create a valid security interest in, and Lien upon, the Collateral, in favor of the Administrative Agent, for the benefit of the Lenders, which security interests and Liens are perfected in accordance with the terms of the Collateral Agreement and prior to all Liens other than Liens permitted under Section 10.2 of the Credit Agreement.
- (f) Attached hereto as Exhibit A is a true, correct and complete copy of the Mortgage Note dated October 15, 2008 made by Sayreville Seaport Associates, L.P., as borrower ("Sayreville"), in favor of NL Industries, Inc. and NL Environmental Management Services, Inc., as lenders (the "Sayreville Lenders"), in the principal amount of \$15,000,000, as in effect on the Fourth Amendment Effective Date (such mortgage note, the "Sayreville Note").
- (g) Attached hereto as Exhibit B is a true, correct and complete copy of the Multi-Party Agreement, dated as of October 15, 2008, by and among Sayreville, the Sayreville Lenders, The Prudential Insurance Company of America acting on behalf of and for the benefit of its insurance company separate account known as PRISA II ("PRISA II"), each of the general partner and the limited partner of Sayreville, J. Brian O'Neill and Sayreville PRISA II LLC, as such agreement is in effect on the Fourth Amendment Effective Date (such agreement, the "Multi-Party Agreement"). As of the Fourth Amendment Effective Date, no default exists and is continuing under either the Sayreville Note or the Multi-Party Agreement.
- (h) Attached hereto as Exhibit C is a true, correct and complete copy of the executed assignment agreement between the Sayreville Lenders and the Borrower effecting the sale and purchase of the Sayreville Note as contemplated hereby. In connection with the transfer of the Sayreville Note, the Borrower has received evidence that, as of December 31, 2009, the net assets of PRISA II exceeded \$3.3 billion.

SECTION 7. Counterparts; Governing Law. This Amendment may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which, taken together, shall constitute one and the same agreement. This Amendment shall be construed in accordance with and governed by the laws of the State of North Carolina.

SECTION 8. Effective Date. This Amendment shall be effective as of May 10, 2010 upon satisfaction of each of the conditions specified in Section 4 hereof (such date, the "Fourth Amendment Effective Date").

SECTION 9. Expenses. The Borrower and the Subsidiary Guarantors agree to pay all reasonable costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment, including without limitation the reasonable fees and expenses of the Administrative Agent's legal counsel.

SECTION 10. Further Assurances. The Loan Parties agree to promptly take such action, upon the request of the Administrative Agent, as is necessary to carry out the intent of this Amendment.

SECTION 11. Consent by Subsidiary Guarantors. The Subsidiary Guarantors consent to the foregoing waiver and amendments. The Subsidiary Guarantors promise and agree to perform all of the requirements, conditions, agreements and obligations under the terms of the Subsidiary Guaranty Agreement, said Subsidiary Guaranty Agreement being hereby ratified and affirmed in all respects. The Subsidiary Guarantors hereby expressly agree that the Subsidiary Guaranty Agreement is in full force and effect.

SECTION 12. Severability. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective only to the extent of such prohibition or unenforceability without invalidating the remainder of such provision or the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

SECTION 13. Entire Agreement. This Amendment contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein. This Amendment supersedes all prior drafts and communications with respect hereto.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have executed and delivered, or have caused their respective duly authorized officers or representatives to execute and deliver, this Amendment as of the day and year first above written.

[CORPORATE SEAL] COMPX INTERNATIONAL INC.

By: /s/ Darryl R. Halbert (SEAL)
Name: Darryl R. Halbert
Title: Vice President and Chief Financial Officer

[CORPORATE SEAL] COMPX SECURITY PRODUCTS INC.

By: /s/ Darryl R. Halbert (SEAL)
Name: Darryl R. Halbert
Title: Vice President - Finance

[CORPORATE SEAL] COMPX PRECISION SLIDES INC.

By: /s/ Darryl R. Halbert (SEAL)
Name: Darryl R. Halbert
Title: Vice President and Chief Financial Officer

[CORPORATE SEAL] COMPX MARINE INC.

By: /s/ Darryl R. Halbert (SEAL)
Name: Darryl R. Halbert
Title: Vice President and Chief Financial Officer

[CORPORATE SEAL] CUSTOM MARINE INC.

By: /s/ Darryl R. Halbert (SEAL)
Name: Darryl R. Halbert
Title: Vice President and Chief Financial Officer

[CORPORATE SEAL] LIVORSI MARINE, INC.

By: /s/ Darryl R. Halbert (SEAL)
Name: Darryl R. Halbert
Title: Vice President and Chief Financial Officer

ADMINISTRATIVE AGENT AND LENDERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
successor-by-merger to Wachovia Bank,

National Association, as Administrative Agent
and a Lender

By: /s/ Lee R. Gray
Name: Lee R. Gray
Title: Senior Vice President

[Signature pages continued on the following page]

WCSR 4370273v2

as Lender

COMERICA BANK,

By: /s/ Sarah Bryson
Name: Sarah Bryson
Title: Corporate Banking Officer

[Remainder of this page intentionally left blank]

BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS BILL OF SALE, ASSIGNMENT AND ASSUMPTION AGREEMENT (this “**Agreement**”) is made and entered into as of the 13th day of May, 2010 by and between NL Industries, Inc., a New Jersey corporation (“**NL Industries**”) and NL Environmental Management Services, Inc. (“**NL EMS**”) and, together with NL Industries and any and all of their successors and assigns, “**Assignor**”) and CompX International Inc., a Delaware corporation (“**Assignee**”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Mortgage Note, as hereinafter defined.

WHEREAS, Assignor has extended a loan (the “**Loan**”) in the amount of Fifteen Million Dollars (\$15,000,000.00) evidenced by that certain Mortgage Note in the amount of Fifteen Million Dollars (\$15,000,000.00), dated October 15, 2008, made by Sayreville Seaport Associates, L.P., a Delaware limited partnership (“**Borrower**”) and payable to the order of Assignor (as such mortgage note may be renewed, extended, modified, amended or restated from time to time, the “**Mortgage Note**”); and

WHEREAS, the Mortgage Note is secured by, among other things: (i) a Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing, dated October 15, 2008 and recorded on October 17, 2008 in the Office of the Middlesex County Clerk in Mortgage Book 13164, page 340&c, executed by Borrower in favor of Assignor (as amended, supplemented, modified, restated, renewed or extended from time to time, the “**Subordinate Mortgage**”); (ii) a Guaranty Agreement, dated October 15, 2008, from J. Brian O’Neill (“**O’Neill**”) to Assignor (the “**NL Guaranty**”) and, together with the Mortgage Note and the Subordinate Mortgage, the “**NL Loan Documents**”); and (iii) a Multi-Party Agreement, dated October 15, 2008, by and among, *inter alia*, Borrower, O’Neill, Assignor, and The Prudential Insurance Company of America (the “**Multi-Party Agreement**”); and

WHEREAS, the Loan and the Mortgage Note are subject to that certain Intercreditor, Subordination and Standstill Agreement, dated as of October 15, 2008, among, *inter alia*, Assignor, Bank of America, N.A., a national banking association, on behalf of itself and certain other financial institutions (“**Administrative Agent**”), Borrower and O’Neill (the “**Intercreditor Agreement**”) and, together with the NL Loan Documents and the Multi-Party Agreement, the “**Assigned Documents**”); and

WHEREAS, Assignee is a corporation which is “controlled” (as defined below) by NL Industries or under common “control” (as defined below) with NL Industries (for purposes of this Agreement, the terms “controlled” and “control” shall mean, as the context shall require, the ability to direct or cause the direction of the management and policies of such corporation by contract or otherwise); and

WHEREAS, on the terms and subject to the conditions set forth herein, Assignor has agreed to sell, transfer and assign, and Assignee has agreed to purchase, the Assigned Documents; and

WHEREAS, the parties to this Agreement wish to evidence such sale, transfer, assignment and assumption as set forth below;

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated into this Agreement by reference.

2. Purchase and Sale. Upon the terms and subject to the conditions of this Agreement, Assignor agrees to sell, assign, transfer, convey and deliver, or cause to be sold, assigned, transferred, conveyed and delivered, to Assignee and Assignee agrees to purchase all of Assignor’s rights, title and interest in the Loan and the Assigned Documents (collectively, the “Assignment”).

3. Purchase Price. Assignee hereby agrees to pay to Assignor on the date of this Agreement \$15,000,000. In addition, immediately upon Assignee’s receipt from Borrower of the next interest payment under the Mortgage Note, Assignee shall pay Assignor an additional amount equal to all accrued but unpaid interest, as of the date of this Agreement, under the Mortgage Note.

4. Assumption. Upon the terms and subject to the conditions of this Agreement, Assignee hereby assumes and agrees to perform and discharge any and all obligations and liabilities of Assignor under the Loan and the Assigned Documents which remain unperformed as of the date of this Agreement (collectively, the “Assumption”).

5. Guaranty of Payment. Assignor hereby unconditionally guarantees to Assignee the prompt payment when due, by acceleration of maturity or otherwise, of any and all amounts due under and pursuant to the Mortgage Note (the “Guaranty”). This Guaranty is an absolute, irrevocable and unconditional guaranty of payment and performance, and Assignor shall be liable for the payment and performance of the Mortgage Note as a primary obligor. Subsequent to Assignor becoming obligated to perform under the Guaranty, Assignor shall be subrogated to all of Assignee’s rights of recovery and any other rights against any person under the Loan and the Assigned Documents for any amounts paid by Assignor under the Guaranty.

6. Limitations on Assignment and Assumption.

(a) Except to the extent specifically set forth in Section 4 of this Agreement, Assignee does not assume or agree to pay, perform, discharge, indemnify or hold harmless Assignor from any liabilities or obligations of Assignor.

(b) This Agreement shall not constitute or effect an assignment of any asset, property or right so long as an assignment or attempted assignment of such asset, property or right would constitute a breach or violation of the agreement, instrument or other document or arrangement pursuant to which such asset, property or right is held, or would in any way adversely affect the rights of Assignor or Assignee under such agreement, instrument or other document or arrangement or violate any applicable law.

(c) The Assignment and Assumption of the Loan and the Assigned Documents is expressly under and subject to the Intercreditor Agreement, and Assignee agrees to execute and deliver to Administrative Agent a Power of Attorney in the form attached hereto as Exhibit A.

7. Further Assurances. Assignor, for itself and its successors and assigns, hereby covenants and agrees that, from time to time, Assignor shall execute and deliver, or shall cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as Assignee may deem reasonably necessary or appropriate to effectuate the Assignment, Assumption, and other transactions contemplated by this Agreement.

8. General. This Agreement shall be binding upon, and inure to the benefit of, the parties to this Agreement and their respective successors and assigns. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING THE CONFLICTS OF LAW PROVISIONS THEREOF. Neither this Agreement nor any of the rights, interests or obligations under this

Agreement shall be assigned by either of the parties to this Agreement without the prior written consent of the other party. This Agreement may be amended only by a written instrument duly signed by each of the parties to this Agreement.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized officers on the date and year first above written.

ASSIGNOR:

NL INDUSTRIES, INC.

By: /s/ Robert D. Graham
Name: Robert D. Graham
Title: Vice President

NL ENVIRONMENTAL MANAGEMENT
SERVICES, INC.

By: /s/ Robert D. Graham
Name: Robert D. Graham
Title: President

ATTEST:

ASSIGNEE:

/s/ A. Andrew R. Louis
A. Andrew R. Louis

COMPX INTERNATIONAL INC.

By: /s/ J. Mark Hollingsworth
Name: J. Mark Hollingsworth
Title: Vice President

EXHIBIT A

COMPX INTERNATIONAL INC. POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that **COMPX INTERNATIONAL INC.** ("CompX"), a Delaware corporation with an address of 5430 LBJ Freeway, Suite 1700, Dallas, TX 75240, hereby makes, constitutes and appoints BANK OF AMERICA, N.A., its true and lawful attorney, for itself and in its name, place and stead, to take any and all such acts and/or actions as CompX, can, may or is entitled to take for and with respect to (i) that certain Mortgage Note dated October 15, 2008 from Sayreville Seaport Associates, L.P., a Delaware limited partnership ("Borrower") to NL INDUSTRIES, INC. and NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., in the original principal sum of \$15,000,000.00, which Mortgage Note is being assigned to CompX of even date herewith (the "Note") and (ii) that certain Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing dated October 15, 2008 from Borrower to NL INDUSTRIES, INC. and NL ENVIRONMENTAL MANAGEMENT SERVICES, INC., securing the Note and encumbering a certain leasehold interest in certain property located in the Borough of Sayreville, Middlesex County and State of New Jersey, which leasehold interest may become a fee interest mortgage as provided for therein, which Leasehold Mortgage, Assignment, Security Agreement and Fixture Filing is being assigned to CompX of even date herewith (the "Mortgage"), including, without limitation, to execute and deliver any modification, extension of maturity for one (1) year, release, discharge, assignment or endorsement of the same and/or to enforce, ask, demand, sue for, collect and receive all sums of money, interest and other payments due under or pursuant to the Note and/or Mortgage, as BANK OF AMERICA, N.A., in its sole and absolute discretion, shall deem appropriate; to foreclose the Mortgage and to take title to property in the name of CompX, if BANK OF AMERICA, N.A. thinks proper; to place and effect insurance with respect to the property encumbered by the Mortgage; to retain counsel and attorneys on behalf of CompX, to appear for CompX in all actions and proceedings to which CompX may be a party in the courts of New Jersey or any other State in the United States, or in the United States courts, to commence actions and proceedings in the name of CompX if necessary, to sign and verify in its name all complaints, petitions, answers and other pleadings of every description; hereby giving and granting to it, the said attorney, BANK OF AMERICA, N.A., full power and authority to do and perform all and every act and anything whatsoever necessary to be done in the premises, as fully to all intents and purposes as CompX might or could do if personally present, with full power of substitution and revocation, hereby ratifying and confirming all that the said attorney may do pursuant to this power.

This Power of Attorney is being given pursuant to the terms of that certain Intercreditor, Subordination and Standstill Agreement by and between Bank of America, N.A., as Administrative Agent for itself and on behalf of the other "Banks" (as defined therein) and NL INDUSTRIES, INC. and NL Environmental Management Services, Inc. dated October 15, 2008, which agreement is being assigned to CompX of even date herewith (the "Intercreditor Agreement"). This Power of Attorney shall terminate upon repayment in full of the "Bank Loan" or the "NL Loan", whichever comes first (as those terms are defined in the Intercreditor Agreement).
