(8-West Des Moines, Iowa)

FILED NO. 297
BOOK 116 PAGE 473
1971 MAR -3 AM 9:59
MARY E. KELLY
RECORDER
MADISON COUNTY, IOWA
Fee $30.50

CONVEYANCE OF PRODUCTION PAYMENT

THIS CONVEYANCE OF PRODUCTION PAYMENT (hereinafter called "this Conveyance") dated as of the 2nd day of March, 1971, by PENN-DIXIE CEMENT CORPORATION, a Delaware corporation having an address at 1345 Avenue of the Americas, New York, New York, 10019 (hereinafter called "Grantor"), to JEROME CASTLE, STEPHEN MODELL and MEYER L. KAMIN, as trustees of the Penn-Dixie Cement Corporation Hourly Pension Trust, a trust which meets the requirements of Section 501(a) of the Internal Revenue Code, having an address at 1345 Avenue of the Americas, New York, New York 10019 (hereinafter called "Grantee"),

W I T N E S S E T H :

1. Grantor, for and in consideration of the sum of Seven Hundred Fifty Thousand Dollars, ($750,000.) to it in hand paid by Grantee, the receipt, adequacy and sufficiency of which is hereby acknowledged, by these presents does hereby sell, assign, transfer, set over, grant, release and deliver unto Grantee and his assigns and their heirs or successors and assigns forever of Grantee an undivided Ninety-Five Percent (95%) of all the limestone (whether or not severed after the Effective Date specified below) in and under ALL THOSE CERTAIN properties (hereinafter called the "Subject Interests") owned by Grantor in the County of Madison in the State of Iowa described in Exhibit A hereto, from and after 11:59 p.m., Eastern Standard Time, March 2, 1971 (such time and date being hereinafter called

For Release of Mortgage see 117 Page 441

Power of Attorney & Royalty Agreement see Misc. Record 33 Page 455

IND ✓
REC. ✓
PAGE ✓

the "Effective Date") and throughout the period specified in paragraph 2 hereof, together with all and singular the rights and privileges thereunto in any wise belonging, but subject to the terms and provisions contained herein, the interest so sold being hereinafter called the "Production Payment", and such undivided 95% of said limestone being hereinafter called the "Production Payment Limestone."

Provided, however, that this Conveyance does not relate to any iterest in the surface overlying the limestone in which an interest is herein sold, and any and all interests in such surface are hereby excepted and reserved unto Grantor, its successors and assigns.

2. Subject to the provisions of paragraph 23, the Production Payment shall continue and remain in full force and effect until such time as Grantee shall have received and realized, out of the proceeds of the Production Payment Limestone, free and clear of all development, operating, mining, quarrying, producing, handling, treating, processing, storing, marketing, transporting and all other costs and expenses of every kind whatsoever (hereinafter called "Production Expenses"), the full aggregate sum of the following amounts:

(a) the sum of $750,000 (hereinafter called the "Primary Sum"); plus

(b) an amount computed at the rate of 7 3/4% per annum (on the basis of a 365-day year) from March 2, 1971, on the unliquidated balance from time to time of the Primary Sum, the first such computation to be made on March 20, 1971 for the period commencing with and including March 2, 1971, through March 19, 1971, and thereafter monthly on the 20th day of each calendar month for the monthly period ending on the 19th day of the same calendar month, on the amount of said unliquidated balance on the 20th day of the preceding calendar month; plus

(c) an amount equal to the aggregate of all amounts which may be paid by Grantee on account of (1) ad valorem taxes imposed or assessed upon the Production Payment or any mortgage thereof or security interest therein or upon the Production Payment Limestone (or taxes imposed or assessed in lieu thereof), which have not been paid by Grantor; and (2) severance, mining, gross production, occupation, and other taxes, assessments, and governmental charges of any kind whatsoever levied or imposed upon or assessed with respect to or measured by or charged against the Production Payment or any mortgage thereof or security interest therein or the Production Payment Limestone or any part thereof or upon any income therefrom

(other than franchise taxes and taxes on or measured by the income or profits of Grantee) and all other taxes required by law to be deducted from the proceeds of the Production Payment Limestone (said taxes, assessments, and governmental charges referred to in this paragraph 2(c) being hereinafter called "Production Taxes"), which have not been deducted from the proceeds of the Production Payment Limestone and paid for the account of Grantee and which have not been paid by Grantor; plus

(d) an amount equal to all franchise taxes and taxes on or measured by the income or profits of Grantee (including, without limitation, interest and penalties, if any) which are imposed on or assessed against Grantee by and paid or payable by Grantee to any state by virtue of Grantee's ownership or sale or other disposition of the Production Payment or any part thereof, any indebtedness incurred in connection therewith, or the receipt of the proceeds of the Production Payment Limestone; plus

(e) an amount equal to the aggregate of all reasonable expenses of Grantee incidental to the acquisition, ownership, mortgaging, creation of security interests in and transfer of the Production Payment or any part thereof (including documentary stamp and other transfer taxes) and the obtaining of any loan secured thereby (including,

but not limited to, all fees and expenses of counsel, counsel for any lenders, independent accountants and other independent experts and all costs of preparing executing and recording of all documents relating thereto), and all fees incurred in connection with and all costs and expenses of litigation and the contest, release or discharge of any adverse claim or demand by any person affecting, in any manner whatsoever, the Production Payment or the Production Payment Limestone, which shall have been paid or incurred by Grantee, and all interest reasonably incurred on any borrowing by Grantee to pay any such expenses or any of the taxes referred to in paragraph 2(c) and 2(d) above; provided, however, that the aggregate amount which Grantee shall be entitled to receive on account of all expenses specified in this paragraph 2(e) (exclusive of such interest) shall not exceed $1000 during the entire term of the Production Payment;

IT BEING THE INTENTION HEREOF that Grantee shall be entitled to receive and realize out of the proceeds of the Production Payment Limestone the net aggregate sum of the amounts above specified in paragraphs 2(a) and 2(b) above, free and clear of all Production Expenses (which shall be borne and paid by Grantor), and over and above all taxes, assessments, charges, costs and expenses of the character and of the

amounts described and specified in paragraph 2(c), 2(d) and 2(e).

All Production Taxes imposed with respect to or measured by or charged against the Production Payment Limestone for which Grantee is liable may be deducted from the proceeds of the Production Payment Limestone and paid for the account of Grantee, and in the case of any such deduction the amount so deducted shall not be deemed to be proceeds received or realized by Grantee.

For the purpose of making monthly computations of the amounts referred to in this paragraph 2, proceeds received on or before March 20, 1971, shall be deemed to have been received and applied immediately after the opening of business on March 20, 1971, and such proceeds actually received up to the close of business on the 19th day of each calendar month thereafter shall be deemed to have been received and applied immediately after the opening of business on the 20th day of the same calendar month, unless such 20th day shall be a Saturday or a Sunday or a holiday, in which case such proceeds shall be applied on the last business day next preceding such 20th day which is not a Saturday, Sunday or a holiday, but the amount to be applied pursuant to the following clause first shall nevertheless be the amount accrued up to (but not including) such 20th day. Such proceeds shall

be applied on the dates prescribed, to the extent available, first, on account of the amount specified in paragraph 2(b) above then accrued, second, on account of the amount referred to in paragraph 2(c) above, to the extent then ascertained, third, on account of the amount referred to in paragraph 2(d) above, to the extent then ascertained, fourth, on account of the amount referred to in paragraph 2(e) above, to the extent then ascertained, and fifth, on account of the unliquidated balance of the Primary Sum; provided, however, that in the event such proceeds so available for application on any such date of application shall be insufficient to cover the full amount specified in the foregoing clauses first through fourth, the unliquidated balance of the Primary Sum shall forthwith be increased by an amount equal to the amount of such deficiency.

3. The amounts specified in paragraph 2 hereof shall be dischargeable out of the proceeds from the sale of cement or other limestone products manufactured and produced from the Production Payment Limestone to and only to the extent of 14% of such proceeds, exclusive of any premium attributable to the sale of cement in bags, except that it shall in no event be dischargeable out of more than the portion of such proceeds which represents the gross income from such Production Payment Limestone within the meaning of Section 613(c) of the Internal Revenue Code of 1954 computed just as if this Production Payment had not been sold.

4. When the full aggregate sum of the amounts specified in paragraphs 2(a),2(b), 2(c), 2(d) and 2(e) above (together with all payments and additions required by paragraph 8 hereof) has been received by Grantee, the Production Payment shall forthwith terminate and all interest therein, and all Grantee's right, title and interest acquired hereunder shall immediately revert to and become vested in Grantor, its successors and assigns, to the same extent and with the same force and effect as if this Conveyance had not been made. Grantee by its acceptance of this Conveyance agrees that, upon its being satisfied that the Production Payment has terminated, it shall execute and cause to be executed, upon request and at the expense of Grantor, such instruments as may be necessary or appropriate to confirm that the Production Payment has terminated.

5. Unless otherwise specifically instructed by Grantee or it is otherwise agreed in writing by Grantor and Grantee, Grantor shall market, or cause to be marketed, or shall use in its business the Production Payment Limestone according to the manner in which Grantor markets or uses its own share of the production from the Subject Interests. In the event that Grantor shall use in its business the Production Payment Limestone, Grantor shall pay to Grantee for the limestone so used the amount specified in paragraph 3 above,

and such amount so paid shall be deemed to be an amount received and realized out of the proceeds of Production Payment Limestone.

6. From time to time, upon the giving of at least 30 days' prior notice in writing to Grantor, Grantee at its election shall be entitled to take in kind all or any part of the Production Payment Limestone. In the event that Grantee so elects to take any of such limestone, Grantee shall market such limestone as promptly as practicable for the best price available, but in no event less than the price at which Grantor may from time to time offer to purchase such limestone from Grantee, and the amounts specified in paragraph 2 hereof shall be credited with such price. Amounts credited in accordance with this paragraph shall be deemed to be amounts received and realized out of the Production Payment Limestone and shall be deemed to have been received by Grantee at the time so sold. No such taking by Grantee shall obligate Grantor to incur additional expenses by reason of such taking, but Grantor shall pay all costs and expenses in the same manner and to the same extent hereunder as if there had been no such taking.

7. Neither Grantee nor Grantor shall use any of the limestone taken from the Subject Interests as, or sell any such limestone for use as, riprap, ballast, road material, rubble or concrete aggregates or for similar purposes.

8. If any of the proceeds of the Production Payment limestone shall be withheld as a result of any adverse claim or as a result of any determination or redetermination for any reason whatsoever with respect to the portion of any such proceeds accruing to the Production Payment as provided in paragraph 3 hereof, then such limestone shall not be deemed to have accrued or be attributable to the Production Payment until the proceeds therefrom have actually been received by Grantee; or if, at any time whatsoever either before or after the receipt of the full aggregate sum of the amounts specified in paragraph 2 hereof, by reason of any such adverse claim or determination or redetermination, Grantee shall be compelled to pay over any of the proceeds received by it attributable to any of the Production Payment Limestone then an amount equal to such proceeds (plus all amounts which Grantee shall be compelled to pay in the nature of interest, damages and penalties) shall be added to the unliquidated balance of the Primary Sum at the time of such payment, and the Production Payment shall not terminate until all of such amounts have finally been received and realized by Grantee.

9. Limestone and cement or other limestone products sold or used from inventory on and after the Effective Date shall be deemed to have been sold or used on a last in, first out basis, i.e., shall be considered to have been sold or used from

limestone attributable to the Subject Interests to and only to the extent of the production from the Subject Interests on and after the Effective Date. No limestone, cement or other limestone products, or any proceeds therefrom, attributable to work in progress on the Effective Date shall be deemed attributable to the Production Payment.

10. Except as provided in paragraph 24, Grantee shall look exclusively to the Production Payment Limestone for the payment of the amounts specified in paragraph 2 hereof and Grantor shall not be liable for the payment thereof except out of such Production Payment Limestone to the extent expressly provided in this Conveyance.

11. Grantor, so long as the Production Payment shall remain in force and effect shall, at its own cost and irrespective of who may be the operator of the Subject Interests, cause:

(a) the Subject Interests to be maintained and operated for the production of limestone and, except to the extent that Grantee elects to take limestone in kind as provided in paragraph 6 hereof, the limestone produced therefrom to be marketed or used by Grantor in the manufacture of cement or other limestone products to the end that the greatest amount of gross income within the meaning of Section 613(c) of the Internal Revenue Code of 1954 from the Subject Interests, all in a good and workmanlike manner in accordance with sound industry practice and all applicable federal, state and local laws, rules and

regulations, all such operations to be carried on, to the extent reasonably practicable, without any preference being given to limestone from sources other than the Subject Interests, or to products manufactured and produced from such other limestone, it being understood that in the determination of such resonable practicability operational factors such as the suitability of limestone produced from the Subject Interests and the cost of transportation shall be taken into account but in no event shall the fact that Grantor has created and sold the Production Payment be taken into account; provided, however, that Grantor shall have the right to suspend operations from time to time when Grantor shall have reasonably determined that such suspension is appropriate having due regard for the market for limestone or cement or other limestone products, the quantities of inventories on hand and the facilities available for the storage thereof;

(b) all liabilities of any kind or nature, including, without limitation, all liabilities for labor, material, supplies and equipment incurred in, or arising from, the administration or operation of producing, mining, quarrying, treating, processing, storing, or transportation of

the limestone production from or attributable to the Subject Interests, or the manufacture, production, storing, marketing, or transportation of cement or other limestone products from such limestone, and all taxes, assessments and governmental charges imposed on Grantor or any of its subsidiaries or any property of any of them, to be paid punctually when due (or, as to any thereof which are being contested in good faith, promptly after the final determination of such contest);

(c) all machinery, equipment and facilities of any kind now or hereafter located in, on or over the Subject Interests or owned by Grantor for use in connection therewith and necessary or, in the judgment of Grantor useful in the operation thereof for the production of limestone, or the manufacture and production of cement or other limestone products therefrom, to be provided and to be kept in good and effective operating condition, and to be insured, to the extent that, and against such risks and in such amounts as, Grantor insures its other property of like character, and all repairs, renewals, replacements, additions and improvements thereof or thereto needful to such end to be promptly made, but, subject to paragraph 11(a) and so long as none of the conditions

set forth in paragraph 12 has occured, nothing herein shall prevent disposals in the ordinary course of business of machinery, equipment and facilities from time to time;

(d) written notice to be given to Grantee of any adverse claim or demand made by any person affecting the Subject Interests or the limestone produced therefrom, and of any proceeding instituted with respect thereto;

(e) all necessary and proper steps to be diligently taken to protect and defend the Subject Interests and the limestone produced therefrom and the proceeds thereof against any adverse claim, demand or proceeding described in paragraph 11(d) above, including but not limited to the employment or use of counsel for the prosecution or defense of litigation and the release or discharge of any such claim or demand or proceeding; and

(f) to be tendered and paid or caused to be paid, punctually, before the same become delinquent (or as to any thereof which are being contested in good faith, promptly after the final determination of such contest), all Production Taxes imposed with respect to or measured by or charged against the Production Payment, or the Production Payment Limestone, and including also any interest or penalty payable in connection therewith;

(g) the Subject Interests to be kept free of liens, charges and encumbrances except for acts of Grantee, its successors and assigns, and except, to the extent either not delinquent or being contested in good faith, (i) taxes and assessments; (ii) claims arising under workmen's compensation or occupational disease acts, or other similar laws, and mechanics' liens; and (iii) other liens, charges and encumbrances incurred in the ordinary course of business and not materially interfering with Grantor's ability to perform its obligations hereunder; Subject, however, to the right of Grantor to abandon operations in any part of the Subject Interests when Grantor has reasonably determined that there is no mine or quarry located in such part capable of producing limestone in paying quantities and that no mine or quarry or additional mine or quarry may be completed in such part which of themselves or in connection with another mine or quarry would be capable of producing limestone in paying quantities; for purposes of this provision, a mine or quarry shall be deemed to be capable of producing limestone in paying quantities unless a condition which reasonably appears to be permanent shall arise whereby neither the aggregate f.o.b. plant price of limestone produced from such mine or quarry nor of cement or other limestone products manufactured and produced therefrom exceeds the costs (excluding any payments on

account of the Production Payment) of producing such limestone, or of producing such limestone and manufacturing and producing cement or other limestone products therefrom, as the case may be, which would not be incurred should production of limestone from such part of the Subject **Interests** be discontinued; and provided that Grantor shall not be deemed in default under the provisions of subparagraph (a) or (c) of this paragraph 11 by reason of any failure, without fault or negligence of Grantor, resulting from force majeure. For purposes of this paragraph, the term force majeure shall mean acts of God or the public enemy, fires, floods, epidemics, strikes, boycotts, and other similar causes beyond the control of Grantor.

12. Should Grantor default in the performance or observance of any covenant or agreement provided herein to be performed or observed by Grantor and should such default continue unremedied for 30 days from the delivery to Grantor of written notice thereof, Grantee may, in addition to claiming its damages and pursuing any or all other remedies available at law or in equity, thereupon and thereafter have the continuing right, privilege and option (but shall be under no duty) to effect performance or observance, on behalf and at the expense of Grantor, of such covenant, agreement or undertaking, which has not been performed or observed by Grantor, in which event

Grantee may expend funds and incur and pay bills for expenses for such purpose and shall thereupon be entitled to reimbursement from Grantor for all amounts so expended, together with interest on the unliquidated amounts thereof at the rate of 7 3/4% per annum from the date of such payment. In addition, Grantor acknowledges that with respect to the covenants contained in paragraph 11 hereof, damages are not an adequate remedy and agrees that Grantee shall be entitled to specific performance or observance of such covenant, agreement or undertaking or to apply to a court of equity in aid of the execution of any power herein granted and for the appointment of a receiver of the interests in the Subject Interests held by Grantor and the limestone attributable thereto.

All rights and remedies to which Grantee shall have become entitled under this paragraph 12 shall terminate either (1) when the Production Payment is discharged or terminates and all amounts then due and payable to Grantee pursuant to this paragraph 12 shall have been duly paid in full, or (2) at such earlier date when all defaults of Grantor shall have been remedied and all such amounts shall have been duly paid in full, without prejudice, however, to the exercise of any rights and remedies herein conferred upon Grantee upon any subsequent failure of Grantor to perform or observe any of the covenants, agreements to undertakings provided in this Conveyance to be performed or observed by Grantor.

13. While the Production Payment remains in force and effect, Grantor will, at its own expense, furnish Grantee:

(a) Monthly, not later than the 20th day of each calendar month, as to the preceding calendar month, a report showing:

(1) as to limestone produced from the Subject Interests, (i) the total amount produced, (ii) the amount sold and (iii) the amount used in the manufacture and production of cement or other limestone products;

(2) as to cement or other limestone products manufactured and produced from limestone produced from the Subject Interests, (i) the amount produced and (ii) the amount sold;

(3) (i) the gross proceeds from the sale of limestone produced from the Subject Interests, and of cement and other limestone products manufactured and produced therefrom, and (ii) the gross proceeds attributable to the Production Payment, the taxes deducted or paid therefrom and the net proceeds applied to the Production Payment.

(b) Upon the request of Grantee, but not more than once a year, reports in reasonable detail concerning the quantity of limestone recoverable from the Subject Interests and the projected income and expense attributable to the operation of the Subject Interests.

(c) Such other information as Grantee may from time to time reasonably request.

14. Grantor will cause to be afforded to any representative designated by Grantee the opportunity at any reasonable time to make such inspection of the Subject Interests as such representatives shall determine proper, and will furnish to Grantee if and when requested such detailed information as Grantee may reasonably request concerning the Subject Interests, the operation thereof, and the production and processing of the limestone therefrom.

15. Grantor warrants that it has good right, full power and lawful authority to sell, transfer, assign, set over and deliver the interests hereby sold in the manner and form hereby done or intended; that (i) the Subject Interests are free and clear of all liens, charges, encumbrances and adverse claims, except those referred to in paragraph 11(g) hereof, and except any mortgage or deed of trust of the Subject Interests which is subordinate to this production payment, and (ii) Grantor is the lawful owner and has good and marketable title to all the Subject Interests. Grantor hereby binds itself, its successors and assigns, to warrant and forever defend the title to the interests hereby sold unto Grantee, its successors and assigns, against the claims of all persons whomsoever claiming the same or to claim the same or any part thereof. This sale is made with full substitution and subrogation of Grantee in and to all agreements and warranties heretofore given or made by others in respect of the Subject Interests or any part thereof. The agreements and warranties con-

tained in this paragraph shall survive the discharge of the Production Payment.

16(a) Except as provided in paragraph 11(c) hereof, Grantor shall not, without the consent in writing of Grantee, make any sale, conveyance, assignment or lease, in whole or in part, of any of the machinery, equipment and facilities referred to in said paragraph 11(c) while the Production Payment remains in force and effect.

(b) In the event that Grantor shall make any sale, conveyance, assignment or lease, in whole or in part, of any of the Subject Interests, while the Production Payment remains in force and effect, Grantor agrees, unless Grantee shall otherwise consent in writing, to cause any purchaser, grantee, assignee or lessee of such Subject Interests or part thereof expressly to assume the performance of the obligations of Grantor hereunder; provided, however, that in no event shall Grantor be relieved of its obligations hereunder by reason of any such sale, conveyance, assignment or lease of the Subject Interests or part thereof and shall be responsible to Grantee in damages for any failure on the part of any such purchaser, grantee, assignee or lessee so to perform such obligation to the extent that Grantor would have been liable to perform any such obligation had there been no sale, assignment, conveyance or lease.

17. Nothing herein contained shall in any way limit or restrict the right of Grantee to sell, transfer, mortgage, create a security interest in or assign the Production Payment, in whole or in part.

18. If Grantee shall at any time mortgage or create a security interest covering all or any part of the Production Payment, the mortgagee or holder therein named shall be entitled, if and to the extent such mortgage, or security interest so provides, to exercise all of the rights, remedies, powers and privileges herein conferred upon Grantee and to give or withhold all consents required to be obtained hereunder by Grantor.

19. Any notice, request, demand, report or other instrument which may be required or permitted to be given or furnished to or served upon either party hereto or other person succeeding to any interest of either party hereto shall be deemed sufficiently given or furnished and served if in writing and delivered to such party or person or to an officer of such party or person or deposited in the United States mail in a sealed envelope, registered, with postage prepaid, addressed if to Grantor, to Penn-Dixie Cement Corporation, 1345 Avenue of the Americas, New York, New York, 10019, and if to Grantee to Jerome Castle, Stephen Modell and Meyer L. Kamin, 1345 Avenue of the Americas, New York, New York 10019 or other such address as the party or person to be addressed shall have designated by written notice to the party or person giving such notice or furnishing such report or making such

request or demand.

20. Grantor and Grantee shall execute and deliver all such other and additional instruments, notice, releases, acquittances and other documents, and will do all such other acts and things, as may be necessary more fully to vest in each such party or its successors and assigns all of the respective rights and interests herein and hereby reserved and granted or intended so to be. In the event that the Grantee at any time and for any reason shall desire to file this Conveyance pursuant to the provisions of the Iowa Uniform Commercial Code, the Grantee is hereby authorized in accordance with said Uniform Commercial Code so to file this Conveyance or a Financing Statement relating thereto without the signing thereof by the Grantor.

21. All of the covenants and agreements of Grantor herein contained shall be binding upon all successors in interest to, and all assigns of, Grantor. The provisions hereof shall inure to the benefit of and be binding upon the respective successors and assigns of Grantor and Grantee. All references herein to either Grantor or Grantee shall include their respective successors and assigns.

22. No transfer by Grantee to Grantor of any part of the Subject Interests and no failure of title to any part of the Subject Interests shall have the effect of reducing the amounts specified in paragraph 2 hereof or the percentages of limestone, or proceeds thereof, attributable to the Production Payment or of creating any offset or other prejudice to the Production Payment and the Production Payment shall continue in full force and effect as to the remaining Subject Interests.

23. Notwithstanding the other provisions hereof, if the Production Payment shall not have terminated prior to the expiration of 21 years after the death of the survivor of all of the descendants of Joseph P. Kennedy, father of the late President of the United States of America, who are living at the date of the earliest acknowledgment of the execution of this Conveyance by either of the parties hereto, then the Production Payment and all rights, title and interest of Grantee hereunder shall cease and terminate and be of no further force and effect upon the death of such survivor.

24. Notwithstanding the other provisions hereof, the Grantor shall, on April 15, 1972, pay all amounts due the Grantee under this Conveyance to the extent such amounts have not been paid out of the Production Payment Limestone by that date. These provisions shall be deemed

to give the Grantee rights in addition to such other rights as have been herein granted, and shall not be deemed to interfere with any such other rights.

25. This Conveyance shall be deemed to have been made under the laws of the State of Iowa, and for all purposes, including validity, construction, operating and effect, shall be governed by the laws of said State.

26. This Conveyance is being executed in several counterparts, each of which is an original and all of which are identical, and all such counterparts shall together constitute but one and the same Conveyance of Production Payment.

27. Grantee acknowledges that the Subject Interests are subject to a mortgage dated December 10, 1970 to Franklin National Bank, as trustee on behalf of certain Banks, which mortgage Grantor has represented is subordinate to this Production Payment.

IN WITNESS WHEREOF, the parties have caused this Conveyance to be executed as of the 2nd day of March, 1971.

[Corporate Seal]

PENN-DIXIE CEMENT CORPORATION

By _____
R. W. Lefferts

Attest:

The address of Penn-Dixie Cement Corporation is:
1345 Avenue of the Americas,
New York, New York 10019

Signed, sealed, executed and acknowledged by Penn-Dixie Cement Corporation in the presence of:

Joan Ricci

J. Y. Taggart

JEROME CASTLE

Jerome Castle

STEPHEN MODELL

Stephen Modell

MEYER L. KAMIN

By Stephen Modell
Stephen Modell, as attorney in fact

The address of Jerome Castle, Stephen Modell and Meyer L. Kamin is:

1345 Avenue of the Americas
New York, New York 10019

Signed, sealed, executed and acknowledged by Jerome Castle, Stephen Modell and Meyer L. Kamin in the presence of:

Mary Frances King

Joan Ricci

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

On the 26 day of February, 1971, before me personally came Robert W. Lefferts, to me personally known, who, being by me duly sworn, did depose and say that he resides at 17 Somerset Place, Murray Hill, New Jersey; that he is the Vice President - Secretary of Penn-Dixie Cement Corporation, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation; and that he signed his name thereto by like order.

FRAN J. LYNCH NOTARY PUBLIC STATE OF NEW YORK

[Notarial Seal]

Fran J. Lynch
Notary Public

FRAN J. LYNCH
Notary Public, State of New York
No. 24-7032495
Qualified in Kings County
Commission Expires March 30, 1972

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

On the 26 day of February, 1971, there appeared before me Stephen Modell, whose name is signed to the foregoing writing dated as of March 2, 1971, and he acknowledged the same before me in the County and State aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

FRAN J. LYNCH NOTARY PUBLIC STATE OF NEW YORK

[Notarial Seal]

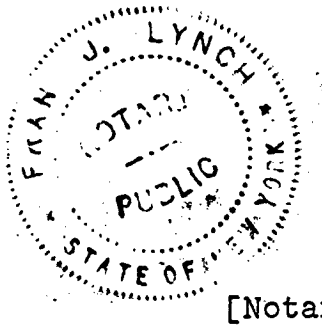
Fran J. Lynch
Notary Public

FRAN J. LYNCH
Notary Public, State of New York
No. 24-7032495
Qualified in Kings County
Commission Expires March 30, 1972

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

On the 26 day of February, 1971, there appeared before me Jerome Castle, whose name is signed to the foregoing writing dated as of March 2, 1971, and he acknowledged the same before me in the County and State aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



[Notarial Seal]

Fran J. Lynch
Notary Public

FRAN J. LYNCH
Notary Public, State of New York
No. 24-7632495
Qualified in Kings County
Commission Expires March 30, 1972

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

On the 26 day of February, 1971, before me personally came STEPHEN MODELL, residing at 445 Neptune Avenue, Brooklyn, New York, 11224, to me known and known to me to be the individual described in a power of attorney duly executed by Meyer L. Kamin, dated February 19, 1971 and so appointed as the attorney-in-fact of the said Meyer L. Kamin, the individual described in and who by his said attorney-in-fact executed the foregoing instrument; and said STEPHEN MODELL duly acknowledged before me that he executed the foregoing instrument as the act and deed of said Meyer L. Kamin by virtue of said power of attorney.

FRAN J. LYNCH NOTARY PUBLIC STATE OF NEW YORK

[Notarial Seal]

Fran J. Lynch
Notary Public

FRAN J. LYNCH
Notary Public, State of New York
No. 24-7632495
Qualified in Kings County
Commission Expires March 30, 1972

EXHIBIT A

A tract of land commencing at the Southeast (SE) corner of the Southwest One-Quarter (SW 1/4) of Section 20, thence North 941 feet, thence South, 87° 45' West, 899 feet, thence South, 57° 26' West, 492.5 feet, thence South, 18° 57' West, 312.35 feet, thence South, 28° 45' West, to the South line of said Section 20, thence East on said section line 1,555 feet to the point of beginning; and the East One-Quarter (E 1/4) and the Southwest One-Quarter (SW 1/4) of the Southeast One-Quarter (SE 1/4) of Section 30, and the West One-Half (W 1/2) of Section 29, and the West One-Half (W 1/2) of Section 32, except the right of way of the C. R. I. & P. R. R. Co., and except the East 184.21 feet of that part thereof lying North of said railroad; and the East One-Half (E 1/2) of the Southeast One-Quarter (SE 1/4) and the South Three-Quarters (S 3/4) of the West One-Half (W 1/2) of the Southeast One-Quarter (SE 1/4) of said Section 32; and the Southwest One-Quarter (SW 1/4) of Section 33; and the Northeast One-Quarter (NE 1/4) of Section 31, except the right of way of said Railroad Company, and except a tract beginning at a point on the North line of said right of way at the intersection with the East line of Tenth (10th) Street in the City of Winterset, being at or near the Southwest (SW) corner of said Northeast One-Quarter (NE 1/4) and running thence North 258 feet, then East 69 rods, thence South 254 feet to the North line of said right of way, thence West along said North line of said right of way to the point of beginning and containing 6-3/4 acres, more or less; and the East One-Half (E 1/2) of the Southeast One-Quarter (SE 1/4), except the right of way of said Railroad Company, and all that part of the West One-Half (W 1/2) of said Southeast One-Quarter (SE 1/4) of said Section 31 lying and being South of the public highway running East and West through said tract; and the East 550 feet of all that part of the Northwest One-Quarter (NW 1/4) of the Southeast One-Quarter (SE 1/4) which lies North of said public highway and South of the right of way of said Railroad Company; and a tract of land beginning at a point 550 feet West and 198 feet South of the Northeast (NE) corner of said Northwest One-Quarter (NW 1/4) of the Southeast One-Quarter (SE 1/4) and running thence West 150 feet, thence Southeasterly 212.14 feet more or less to the West line of said East 550 feet of said Northwest One-Quarter (NW 1/4) of the Southeast One-Quarter (SE 1/4), thence North 150 feet to the point of beginning; all of the foregoing land being in Township 76 North, Range 27 West of the 5th P. M., Madison County, Iowa; and

EXHIBIT A CONTINUED

the North Three-Quarters (N 3/4) of the West One-Half (W 1/2) of Section 5, and the Southeast One-Quarter (SE 1/4) of the Southwest One-Quarter (SW 1/4) of said Section 5, and the East 46 rods of all that part of the Northeast One-Quarter (NE 1/4) of the Northwest One-Quarter (NW 1/4) of Section 8 lying North of Middle River; and the Northeast One-Quarter (NE 1/4) of Section 6, and the Northwest One-Quarter (NW 1/4) of the Southeast One-Quarter (SE 1/4), except the South 300 feet thereof, and the Northeast One-Quarter (NE 1/4) of the Southeast One-Quarter (SE 1/4), except the South 15 feet of the West 15 feet thereof, and all that part of the Southeast One-Quarter (SE 1/4) of said Southeast One-Quarter (SE 1/4) lying North of Middle River, except the West 15 feet thereof, in Section 6; and the North 20 acres of following described tracts of land, to-wit: The Northwest One-Quarter (NW 1/4) of the Northwest Fractional One-Quarter (NW 1/4) of Section 4 and commencing at the Northeast corner of Section 5 and running thence West 3.75 chains, thence South, 45° East, 1.40 chains, thence South 17.90 chains, thence South, 44° 40' East, to the East line of said Section 5, thence North to the place of beginning, except from the above-described real estate 3.38 acres conveyed to Madison County, Iowa, for public highway purposes, as described in Easement recorded in Deed Record 93, Page 271, of the records of Madison County; all of the foregoing land in Township 75 North, Range 27 West of the 5th P. M., Madison County, Iowa.