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MORTGAGE AND LEASEHOLD
MORTGAGE MODIFICATION AGREEMENT

made between

CHICAGO STEEL LIMITED PARTNERSHIP

as Mortgagor

**Document is
NOT OFFICIAL!**

and
This Document is the property of
the Lake County Recorder!
KANSALLIS-OSAKE-PANKKI
individually and as agent

as Mortgagee

Dated: As of April 14, 1994

STOP



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Sullivan & Worcester
767 Third Avenue
New York, New York 10017
Attn.: Rosa Prestia, Esq.

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RECORDER

STATE OF INDIANA
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Sullivan & Worcester
767 Third Avenue
New York, New York 10017
Attn: Rosa Prestia, Esq.

MORTGAGE AND LEASEHOLD MORTGAGE
CONSOLIDATION AND MODIFICATION AGREEMENT

Document is
THIS MORTGAGE AND LEASEHOLD MORTGAGE CONSOLIDATION AND
MODIFICATION AGREEMENT (this "Agreement") dated as of April 14,
1994 between CHICAGO STEEL LIMITED PARTNERSHIP, an Indiana
limited partnership having an office at 700 Chase Street, Gary,
Indiana 46404 ("Mortgagor"), and KANSALLIS-OSAKE-PANKKI, New York
Branch, individually and as agent for the Banks (as hereinafter
defined) with an address at 575 Fifth Avenue, New York, New York
10017 ("Mortgagee").

STOP
W I T N E S S E T H :

WHEREAS, pursuant to that certain Acquisition,
Construction and Term Loan Agreement dated as of December 31,
1991, made between Mortgagor and Mortgagee (as the same has been
and may from time to time hereafter be amended, restated,
supplemented or otherwise modified, the "Original Loan
Agreement"), Mortgagee agreed to lend to Mortgagor sums not to
exceed \$10,500,000 (collectively, the "Original Loan") which
Original Loan is evidenced by those certain promissory notes, in
the aggregate principal amount of \$10,500,000 issued pursuant to
the Original Loan Agreement (collectively, the "Original Note"),
which Original Note is secured by that certain Leasehold Mortgage
and Security Agreement, dated December 31, 1991, made by the
Mortgagor to the Mortgagee and recorded on March 23, 1992 in the
Lake County Recorder's Office as Item 92016929 (the "Original
Mortgage"), which Original Mortgage encumbers those certain
leases (collectively, the "Original Lease") each dated as of
November 1, 1991 made between Chicago Steel, Inc. ("CSI") and
Chase Street Partners (the "Lessor") which Original Lease was
assigned by CSI to the Mortgagor pursuant to the terms of those
certain assignments of lease, dated December 23, 1991, as amended
by those certain amendments to lease, dated December 31, 1991,

made between the Lessor and the Mortgagor (the Original Lease, as so amended and as the same may from time to time be further amended, restated, supplemented or otherwise modified with the consent of Mortgagee, the "Lease") which Lease affects a certain premises (the "Premises") commonly known as 700 Chase Street, Gary Indiana, as more particularly set forth in Schedule A;

WHEREAS, Mortgagor has requested and Mortgagee has agreed to lend to the Mortgagor additional amounts in the aggregate principal sum of \$5,700,000 (the "Second Loan"), which amounts are to be advanced from time to time pursuant to and in accordance with, the terms of that certain Construction and Term Loan Agreement (as the same may from time to time be amended, restated, supplemented or otherwise modified, the "Second Loan Agreement") dated as of March 1, 1994 between the Mortgagor and the Mortgagee. The indebtedness under the Second Loan Agreement is evidenced by the Mortgagor's promissory note(s), dated the date hereof, in the aggregate principal amount of \$5,700,000 (individually and collectively, the "Second Note") payable to the order of the Mortgagee;

WHEREAS, the Mortgagee is the property of the Lake County Recorder, the Mortgagee has agreed to make advances to the Mortgagor pursuant to and in accordance with the Second Loan Agreement. Pursuant to the Second Loan Agreement, all amounts advanced against the Second Note, together with accrued interest thereon, shall be due and payable on or before March 30, 2001;

WHEREAS, as a condition to making the Second Loan, Mortgagee has requested and Mortgagor has agreed to enter into this Agreement; and

WHEREAS, this Agreement is intended to amend the Original Mortgage so as to secure, in accordance with the terms of the Second Loan Agreement, all amounts, and the interest thereon, due or to become due to the holder of the Original Mortgage, as amended hereby, pursuant to the Second Loan Agreement and/or evidenced by the Second Note and any other document referred to therein, including all amounts advanced pursuant to the Second Loan Agreement or any of such other documents as well as all of the amounts secured by the Original Mortgage (notwithstanding that the total of such advances may exceed \$16,200,000, it being acknowledged by the Mortgagor that the Mortgagee has no obligation to make advances other than as provided in the Second Loan Agreement).

NOW THEREFORE, in consideration of the Premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor and Mortgagee hereby agree as follows:

A. CONFIRMATION OF INDEBTEDNESS. Mortgagor hereby confirms and reaffirms its promise to pay the principal amount

outstanding under the Original Note and the Second Note plus interest thereon to Mortgagee in accordance with the Original Note and the Second Note.

B. DEFINED TERMS. All capitalized terms used herein, unless otherwise defined, shall have the meaning set forth in the Original Mortgage.

C. CREATION OF MORTGAGE. In order to secure all of its obligations under the Second Note in the aggregate principal amount of \$5,700,000 and the due and punctual performance by Mortgagor of all its obligations under this Agreement and the Original Mortgage, as amended hereby, Mortgagor hereby mortgages, pledges, sets over and assigns to Mortgagee all of the right, title and interest of Mortgagor, now owned, or hereafter acquired, in and to Mortgaged Property.

D. SPREADING AND CONSOLIDATION OF LIEN. The Original Mortgage and the lien thereof are hereby spread over those portions of the Mortgaged Property not already covered thereby. The lien created pursuant to paragraph C hereof and the lien created by the Original Mortgage are hereby consolidated into a single lien so that together they shall hereafter constitute in law but one mortgage securing the principal amount of \$16,200,000. Such mortgage as so spread and consolidated is hereinafter referred to as the "Mortgage" or this "Mortgage".

E. AMENDMENT AND RESTATEMENT OF MORTGAGE. The terms, covenants and provisions of the Original Mortgage are hereby modified and amended as follows and the Original Mortgage as so modified and amended is hereby restated, ratified and confirmed in all respects by Mortgagor:

1. The Original Mortgage is hereby amended by deleting the phrase "bearing even date" appearing in lines 15-16 of the first "Whereas" clause of the Original Mortgage;
2. As used in the Original Mortgage, the term "Loan Agreement" shall mean collectively, the Original Loan Agreement and the Second Loan Agreement or, if only one such loan agreement shall then be in effect, that loan agreement;
3. As used in the Original Mortgage, the term "Note" shall mean collectively, the Original Note and the Second Note or, if only one such note shall then be in effect, that note;
4. As used in the Original Mortgage, and any other loan documents executed in connection with the Mortgage, the term "Mortgage" shall

5. As used in the Original Mortgage, the term "Loan" shall mean collectively the Original Loan and the Second Loan, or if only one such loan shall be outstanding, that loan.

F. OTHER ASSURANCES. Mortgagor shall promptly cause this Agreement to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien of the Original Mortgage, as amended hereby, upon, and the interest of Mortgagee in, the Mortgaged Property (as defined in the Original Mortgage). Mortgagor will pay all filing, registration and recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Agreement, and all Federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the filing, registration, recording, execution and delivery of this Agreement and shall hold harmless and indemnify Mortgagee against any liability incurred by reason of the imposition of any tax on the issuance, making, filing, registration, recording or enforcement of this Agreement.

G. REPRESENTATIONS, ETC. Mortgagor represents, warrants and covenants:

(i) that there are no offsets, counterclaims or defenses against the indebtedness evidenced by the Original Note or secured by the Original Mortgage;

(ii) that the outstanding principal amount of the Original Loan on the date hereof is \$9,500,000.00;

(iii) that Mortgagor has full power, authority and legal right to execute this Agreement and to keep and observe all of the terms of this Agreement to be observed or performed by Mortgagor;

(iv) that there are no actions, suits or proceedings pending or, to the knowledge of Mortgagor, threatened against or affecting Mortgagor, or the Mortgaged Property, which could have a material adverse effect on Mortgagor or the Mortgaged Property or involving the validity or enforceability of the Original Mortgage, as amended hereby, or the priority of the lien thereof, at law or in equity, and Mortgagor is not operating under or subject to or, in default of, or in violation with respect to any order, writ, injunction, decree or demand of any court or any governmental authority; and

(v) that there is no default existing under the Original Mortgage or any event which with the giving of

(v) that there is no default existing under the Original Mortgage or any event which with the giving of notice or the passage of time, or both, would constitute a default thereunder.

H. CHANGES ONLY IN WRITING. This Agreement may not be modified, amended, changed or terminated orally, but only by an agreement in writing signed by the party against whom the enforcement of the modification, amendment, change or termination is sought.

I. BINDING NATURE. This Agreement shall be binding upon and inure to the benefit of Mortgagor and Mortgagee and their respective successors and assigns.

J. DUPLICATE ORIGINALS. This Agreement may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

K. PARTIAL INVALIDITY. If any term, covenant or condition of this Agreement shall be held to be invalid, illegal or unenforceable in any respect, this Agreement shall be construed without such provision.

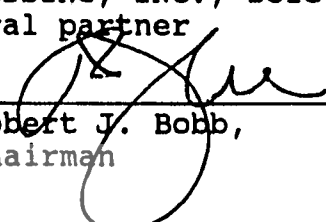
L. WAIVER OF JURY TRIAL. EACH OF MORTGAGOR AND MORTGAGEE HEREBY WAIVES ANY RIGHT WHICH IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, AND ORIGINAL MORTGAGE, AS AMENDED HEREBY.

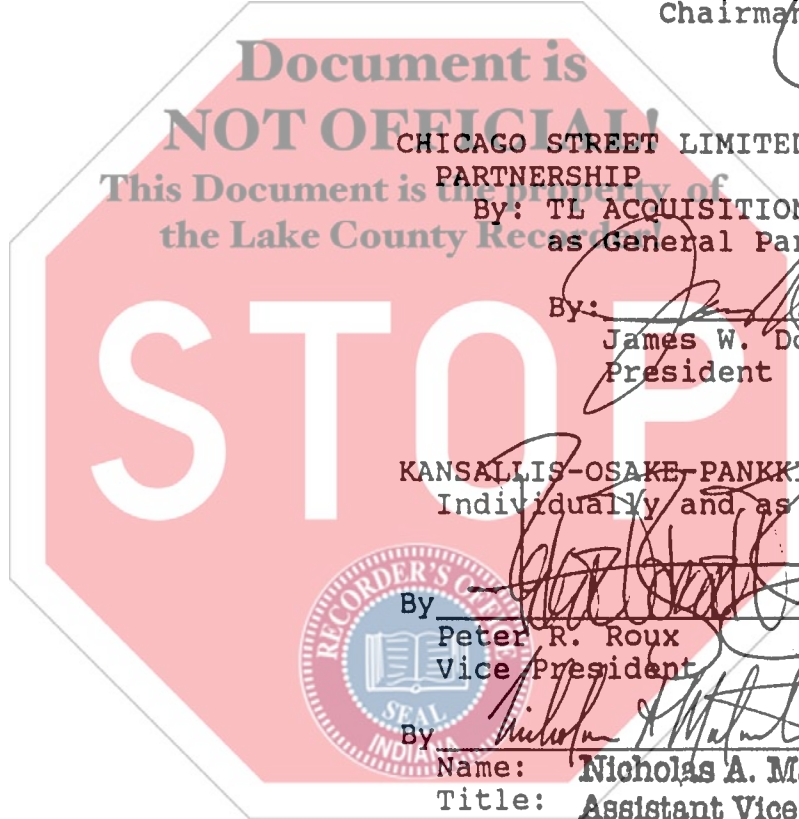
M. GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be governed by and controlled and interpreted in accordance with the laws of the State of New York without regard to principles of conflicts of law.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

CHICAGO STEEL LIMITED
PARTNERSHIP

By: BAS L.P., a limited partnership, as General Partner
By: CHICAGO STEEL & TINPLATE PROCESSING, INC., sole general partner

By: 
Robert J. Bobb,
Chairman

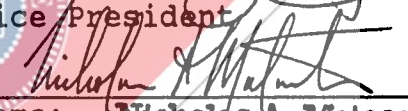


CHICAGO STREET LIMITED
PARTNERSHIP
By: TL ACQUISITION CORP. as General Partner

By: 
James W. Donahy,
President

KANSALLIS-OSAKE-PANKKI
Individually and as Agent

By: 
Peter R. Roux
Vice President

By: 
Name: Nicholas A. Matachieri
Title: Assistant Vice President

Schedule A

LEGAL DESCRIPTION

All that part of the Southeast Quarter (SE 1/4) of Section Six (6), Township Thirty-six (36) North, Range Eight (8), West of the Second Principal Meridian, in the City of Gary, Lake County, Indiana, bounded on the North by the South Line of Fifth Avenue; on the South by the North Line of the right-of-way of the New York Central Railroad, formerly Gary & Western Railway; and on the East by the West Line of Chase Street; excepting therefrom that certain parcel of land located in the Northeast (NE) corner of said above tract and being approximately one hundred twenty-five feet (125') in length and one hundred twenty-five feet (125') in width and heretofore conveyed away by the grantor herein, S and S Realty Corporation, to one Joe Buley under and by virtue of a certain deed dated June 30, 1948, and recorded in the Recorder's Office of Lake County, Indiana, on July 2, 1948, in Deed Record Book 814, at page 485.

This Document is the property of
the Lake County Recorder!

STOP



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

On this 14th day of April, 1994, before me personally came Robert J. Bobb, to me known, who, being by me duly sworn, did depose and say that he resides at 107 W. Delaware, Chicago, Illinois; that he is the Chairman of Chicago Steel & Tinsplate Processing, Inc., the corporation described in and which executed the foregoing instrument; which corporation is the general partner of BAS L.P., the general partner of Chicago Steel Limited Partnership, the partnership which executed the foregoing instrument on behalf of Chicago Steel Limited Partnership; that the execution of the instrument by BAS L.P. as the general partner of Chicago Steel Limited Partnership was duly authorized according to the Articles of Partnership of BAS L.P. and of Chicago Steel Limited Partnership; that BAS, L.P., the general partner of Chicago Street Limited Partnership, executed the instrument on behalf of Chicago Steel Limited Partnership pursuant to said authorization and that he signed his name thereto by order of the board of directors Chicago Steel & Tinsplate, Processing Inc.

CLAUDETTE M. WILLIAMS
Notary Public, State of New York
No. 03-4933598
Qualified in Bronx County 94
Commission Expires June 20, 1994

Claudette M. Williams
Notary Public

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

On this 14th day of April, 1994, before me personally came James W. Donahy, to me known, who, being by me duly sworn, did depose and say that he resides at 20 E. Starrs Plain Rd., Danbury, CT; that he is the President of TL Acquisition Corp., the corporation described in and which executed the foregoing instrument; which corporation is the general partner of Chicago Steel Limited Partnership, the partnership which executed the foregoing instrument; that the execution of the instrument by TL Acquisition Corp. was duly authorized according to the Articles of Partnership; that TL Acquisition Corp., the general partner, executed the instrument on behalf of the said partnership pursuant to said authorization and that he signed his name thereto by order of the board of directors of the corporation.

CLAUDETTE M. WILLIAMS
Notary Public, State of New York
No. 03-4933598
Qualified in Bronx County 94
Commission Expires June 20, 1994

Claudette M. Williams
Notary Public

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

On the 14th day of April, 1994, before me personally came Peter R. Roux, to me known, who, being duly sworn, did depose and say that he resides at Crabgrass Acres, 28 Fairman Road, New York, that he is the Vice President of Kansallis-Osake-Pankki, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by authority of the board of directors of said corporation.

CLAUDETTE M. WILLIAMS
Notary Public, State of New York
No. 03-4933598
Qualified in Bronx County
Commission Expires June 20, 1994

Claudette M. Williams
Notary Public

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

On the 14th day of April, 1994, before me personally came Nicholas A. Matachieri, to me known, who, being duly sworn, did depose and say that he resides at 230 E. 79th St. Apt 15-A, NY, NY 10021, New York, that he is the Assistant Vice President of Kansallis-Osake-Pankki, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by authority of the board of directors of said corporation.

CLAUDETTE M. WILLIAMS
Notary Public, State of New York
No. 03-4933598
Qualified in Bronx County
Commission Expires June 20, 1994

Claudette M. Williams
Notary Public