

LAKE COUNTY  
FILED FOR RECORD

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MORRIS W. CARTER  
SECOND MODIFICATION ORDER  
TO

482764 Les 0-6988 LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

Chicago Title Insurance Company

THIS SECOND MODIFICATION TO LEASEHOLD MORTGAGE AND SECURITY AGREEMENT ("Modification") is made as of March 7, 1997 by METRO METALS CORPORATION, an Illinois corporation ("Mortgagor") whose common mailing address is 6600 U.S. Highway 12, Portage, Indiana 46368 in favor of LASALLE NATIONAL BANK, a national banking association (together with its successors and assigns, "Mortgagee"), whose mailing address is 120 South LaSalle Street, Chicago, Illinois 60603.

Recitals:

A. Mortgagor executed that certain Leasehold Mortgage and Security Agreement (the "Original Mortgage") dated as of September 29, 1995, as amended by First Modification to Leasehold Mortgage and Security Agreement dated June 28, 1996 (the Original Mortgage as so amended is herein referred to as the "Amended Original Mortgage") and encumbering certain real property described more particularly in Exhibit A attached hereto.  
\* recorded as Dec. No. 96013992

B. The Amended Original Mortgage secures all of the obligations and liabilities of Mortgagor to Mortgagee under that certain Amended and Restated Loan and Security Agreement dated September 29, 1995 (the "Original Loan Agreement") between Mortgagor and Mortgagee, as amended by First Amendment to Amended and Restated Loan and Security Agreement dated June 28, 1996 and Second Amendment to Amended and Restated Loan and Security Agreement dated as of September 29, 1996 (the Original Loan Agreement as so amended is herein referred to as the "Amended Original Loan Agreement"), pursuant to which Mortgagee has made or agreed to make certain loans to Mortgagor evidenced by certain notes as described in the Amended Original Mortgage.

C. Mortgagor has requested and Mortgagee has agreed (i) to amend the Amended Original Loan Agreement pursuant to the terms and conditions of a Third Amendment to Amended and Restated Loan and Security Agreement dated of even date herewith between Mortgagor and Mortgagee (together with the Amended Original Loan Agreement, the "Loan Agreement"), (ii) that the Construction Loan facility (as defined in the Amended Original Loan Agreement) be increased from \$7,000,000 to \$14,000,000; and (iii) to correspondingly amend certain provisions of the Amended Original Mortgage as provided for herein.

THIS DOCUMENT PREPARED BY, AND  
FOLLOWING RECORDING, RETURN TO:

P.I.N.:

Nancy L. Kasko, Esq.  
Alzheimer & Gray  
10 South Wacker Drive  
Suite 4000  
Chicago, Illinois 60606

COMMON ADDRESS:

4407 Railroad Ave.  
East Chicago, IN

5600  
OK  
SW

NOW, THEREFORE, in consideration of the foregoing, Mortgagor and Mortgagee hereby agree as follows:

1. **Definitions.** Capitalized words and phrases not otherwise defined herein shall have the respective meanings assigned thereto in the Amended Original Mortgage.

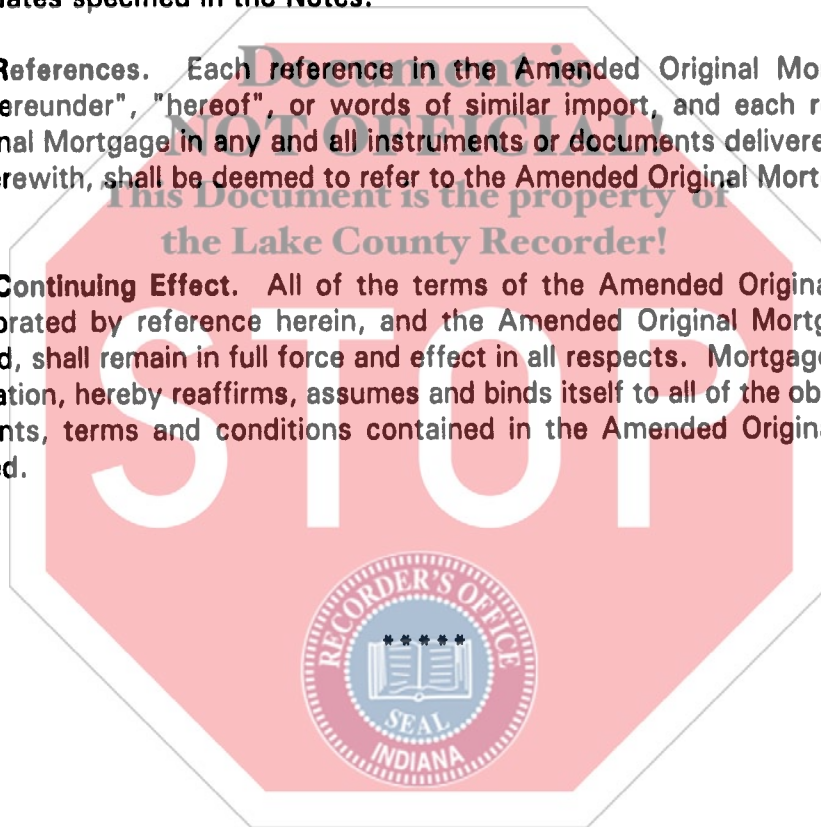
2. **Amendment to Mortgage.** The Amended Original Mortgage is hereby amended by deleting Recital A thereof in its entirety and inserting in lieu thereof the following:

"A. Pursuant to that certain Amended and Restated Loan and Security Agreement dated September 29, 1995, as amended by First Amendment to Amended and Restated Loan and Security Agreement dated as of June 28, 1996, by Second Amendment to Amended and Restated Loan and Security Agreement dated as of September 29, 1996 and by Third Amendment to Amended and Restated Loan and Security Agreement dated as of March 7, 1997 (as so amended, the "Loan Agreement") between Mortgagor and Mortgagee, Mortgagee has made or agreed to make loans to Mortgagor in an aggregate principal amount not to exceed \$28,200,000 (the "Loans"). The Loans are evidenced by (i) that certain Mortgage Note ("Mortgage Note") dated July 5, 1994 in the original principal amount of \$3,100,000 executed by Mortgagor in favor of Mortgagee and bearing interest at the rate and maturing on the date set forth in Mortgage Note, a copy of the form of which is attached to the Amended Original Mortgage, (ii) that certain Installment Note ("Installment Note") dated July 5, 1994 in the original principal amount of \$2,100,000 executed by Mortgagor in favor of Mortgagee and bearing interest at the rate and maturing on the date set forth in the Installment Note, a copy of the form of which is attached to the Amended Original Mortgage, (iii) that certain Revolving Note ("Revolving Note") dated May 30, 1995 in the principal amount of \$9,000,000, bearing interest at the rate and maturing on the date as set forth in the Revolving Note, a copy of the form of which is attached to the Amended Original Mortgage, (iv) that certain Tranche A Construction Loan Note, Tranche B Construction Loan Note and Tranche C Construction Loan Note (collectively, the "Construction Loan Notes") dated March 7, 1997 in the principal amount of \$7,000,000, \$4,000,000 and \$3,000,000, respectively, bearing interest at the rate and maturing on the date set forth in the Construction Loan Notes, a copy of the forms of which is attached hereto as Exhibit A to this Modification, (v) if the indebtedness evidenced by the Construction Loan Notes is converted to term loans in accordance with the provisions of the Loan Agreement, a Tranche A Term Loan Note, Tranche B Term Loan Note and Tranche C Term Loan Note (collectively, the "Term Loan Notes") in a principal amount of up to \$7,000,000, \$4,000,000 and \$3,000,000, respectively, bearing interest at the rate and payable on the date set forth in the Term Notes, a copy of the forms of which is attached hereto as Exhibit B to this Modification : (vi) that certain Supplemental Term Loan A Note ("Supplemental Term Loan A Note") dated June 28, 1996 in the original principal amount of \$250,000, bearing interest at the rate and payable on the

date set forth in the Supplemental Term Loan A Note, a copy of the form of which is attached to the Amended Original Mortgage, and (vii) that certain Supplemental Term Loan B Note ("Supplemental Term Loan B Note") dated June 29, 1996 in the original principal amount of \$500,000, bearing interest at the rate and payable on the date set forth in the Supplemental Term Loan B Note, a copy of the form of which is attached to the Amended Original Mortgage (the Mortgage Note, Installment Note, Revolving Note, Construction Loan Notes, Term Notes, Supplemental Term Loan A Note and Supplemental Term Loan B Note are collectively referred to herein as the "Notes"). Installments of principal and interest on the Notes are due and payable in the amounts, at the times and as otherwise set forth in the Notes with a final payment of all unpaid principal, all unpaid accrued interest and all other amounts payable thereunder, due and payable, if not sooner paid, and if not sooner due by acceleration or otherwise, on the dates specified in the Notes."

3. **References.** Each reference in the Amended Original Mortgage to "this Mortgage", "hereunder", "hereof", or words of similar import, and each reference to the Amended Original Mortgage in any and all instruments or documents delivered in connection therewith or herewith, shall be deemed to refer to the Amended Original Mortgage, as hereby modified.

5. **Continuing Effect.** All of the terms of the Amended Original Mortgage are hereby incorporated by reference herein, and the Amended Original Mortgage, except as hereby modified, shall remain in full force and effect in all respects. Mortgagor, by execution of this Modification, hereby reaffirms, assumes and binds itself to all of the obligations, duties, rights, covenants, terms and conditions contained in the Amended Original Mortgage, as hereby modified.



IN WITNESS WHEREOF, this Modification has been duly executed as of the date set forth above.

MORTGAGOR:

METRO METALS CORPORATION

ATTEST:

By: [Signature]  
Title: CEO

By: [Signature]  
Title: Ex VP

Document is NOT OFFICIAL!

This Document is the property of the Lake County Recorder!

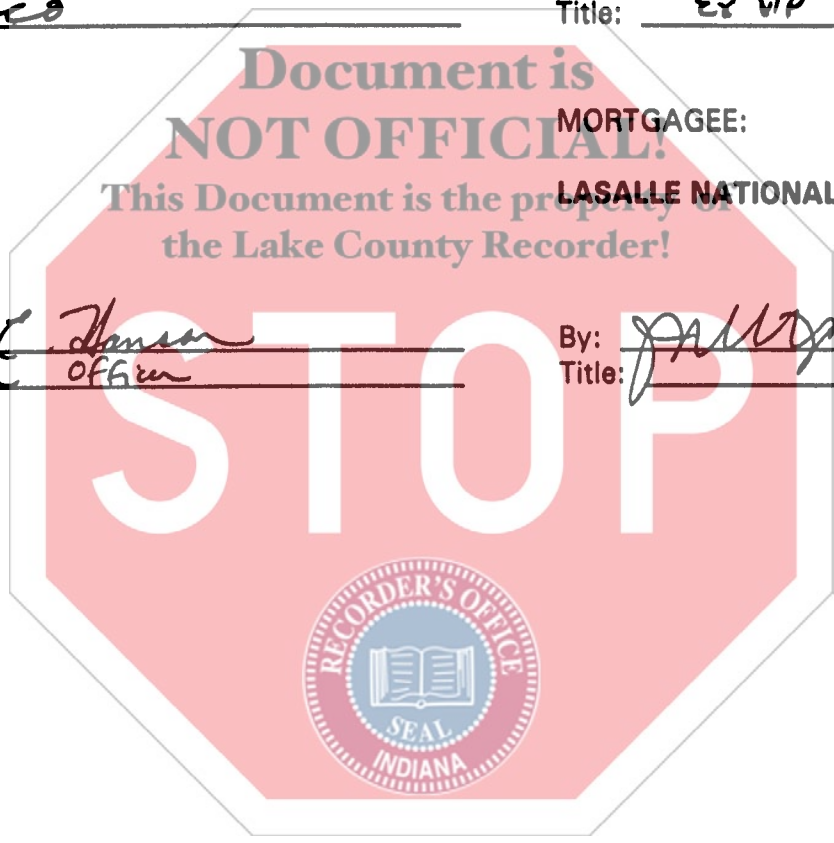
MORTGAGEE:

LASALLE NATIONAL BANK

ATTEST:

By: [Signature]  
Title: Loan Officer

By: [Signature]  
Title: V.P.

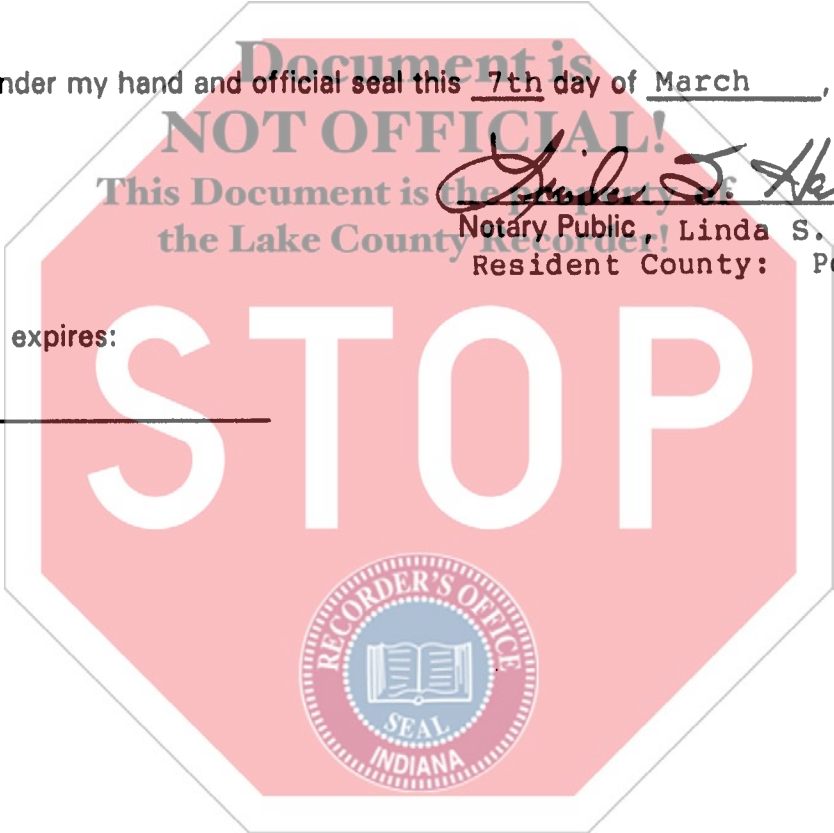


STATE OF INDIANA )  
 ) SS  
COUNTY OF PORTER )

I, Linda S. Handlon, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Samuel L. Kessler and Gerald M. Pines, personally known to me to be the Vice President and C.E.O., respectively, of METRO METALS CORPORATION, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.



GIVEN under my hand and official seal this 7th day of March, 1990 7.



Linda S. Handlon  
Notary Public, Linda S. Handlon  
Resident County: Porter

My commission expires:

4/30/99

STATE OF Illinois )

) SS

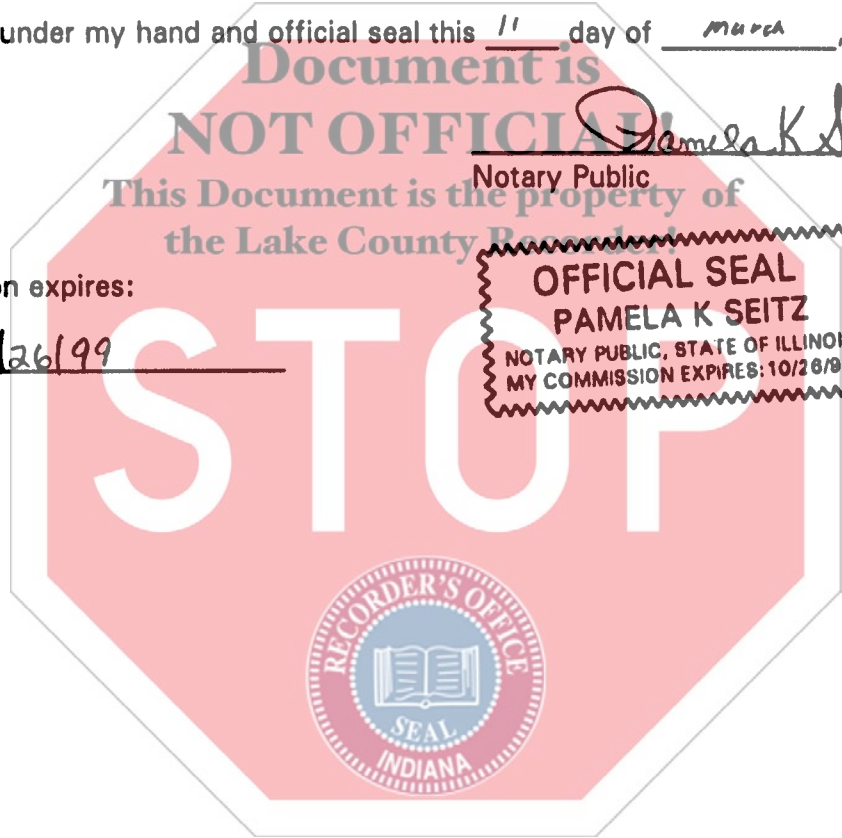
COUNTY OF Cook )

I, Pamela K. Seitz, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Jody M. Staszek and L. Hansen, personally known to me to be the Vice President and Loan Officer, respectively, of LASALLE NATIONAL BANK, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such officers, they signed and delivered the said instrument as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 11 day of March, 1998.

Document is NOT OFFICIAL  
This Document is the property of the Lake County Recorder  
Pamela K. Seitz  
Notary Public

My commission expires:  
10/26/99



**EXHIBIT A**

**LEGAL DESCRIPTION**

**PARCEL 1: LOT 3, EAST CHICAGO ENTERPRISE CENTER, TO THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA, AS SHOWN IN PLAT BOOK 73, PAGE 78, AND RE-RECORDED IN PLAT BOOK 74, PAGE 35, AS DOCUMENT NO. 93034923, IN LAKE COUNTY, INDIANA.**

**PARCEL 2: A NON-EXCLUSIVE EASEMENT CREATED IN EASEMENT AGREEMENT DATED AUGUST 23, 1991 AND RECORDED NOVEMBER 14, 1991, AS DOCUMENT NO. 91057772.**

**PARCEL 3: A NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS AS CREATED BY THE PLAT OF EAST CHICAGO ENTERPRISE CENTER, RECORDED IN PLAT BOOK 73, PAGE 78, OVER AND ACROSS PART OF LOTS 2, 3 AND 4 IN SAID SUBDIVISION.**



**EXHIBIT B**

**FORMS OF CONSTRUCTION LOAN NOTES**





## TRANCHE A CONSTRUCTION LOAN NOTE

\$7,000,000

March 7, 1997  
Chicago, Illinois

For value received, the undersigned, METRO METALS CORPORATION, an Illinois corporation whose address is 6600 U.S. Highway 12, Portage, Indiana 46368 ("Borrower"), promises to pay to the order of LASALLE NATIONAL BANK, a national banking association whose address is 135 South LaSalle Street, Chicago, Illinois 60603 (together with any holder hereof, "Bank"), on the Construction Loan Maturity Date (as defined in the Loan Agreement referred to below), the principal sum of Seven Million and 00/100 Dollars (\$7,000,000.00) or, if less, the aggregate unpaid principal amount of all Tranche A Construction Loans (as defined in the Loan Agreement) made by Bank pursuant to the Loan Agreement. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Loan Agreement.

Borrower also promises to pay interest on the unpaid principal amount of each Tranche A Construction Loan from the date of such Tranche A Construction Loan until such principal amount is paid in full at a rate or rates per annum and on the dates specified in the Loan Agreement.

This Tranche A Construction Loan Note is the Tranche A Construction Loan Note referred to in, and evidences indebtedness incurred under, that certain Amended and Restated Loan and Security Agreement dated September 29, 1995, as amended by First Amendment dated June 28, 1996, Second Amendment dated September 29, 1996 and Third Amendment dated of even date herewith (as so amended and as amended, restated, supplemented or modified from time to time, the "Loan Agreement") between Borrower and Bank, to which Loan Agreement reference is made for a description of the security for this Tranche A Construction Loan Note and for a statement of the terms and conditions on which Borrower is required to make repayments of the principal of the indebtedness evidenced by this Tranche A Construction Loan Note and on which such indebtedness may be declared to be immediately due and payable.

Borrower hereby authorizes Bank to charge any account of Borrower for all sums due hereunder. If payment hereunder becomes due and payable on a day which is not a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest due on such succeeding Business Day. Credit shall be given for payments made in the manner and at the times provided in the Loan Agreement. It is the intent of the parties that the rate of interest and other charges to Borrower under this Tranche A Construction Loan Note shall be lawful. If for any reason the interest or other charges payable by Borrower hereunder are found by a court of competent jurisdiction, in a final determination, to exceed the limit which Bank may lawfully charge Borrower, the obligation to pay interest or other charges shall automatically be reduced to such limit and, if any amount in excess of such limit shall have been paid, then such amount shall be refunded to Borrower.

Borrower waives the benefit of any law that would otherwise restrict or limit Bank in the exercise of its right, which is hereby acknowledged, to set off against the Liabilities, without notice and at any time hereafter, any Indebtedness matured or unmatured owing from Bank to Borrower. Borrower waives every defense, counterclaim or setoff which Borrower may now have or hereafter may have to any action by Bank in enforcing this Tranche A Construction Loan Note or any of the other Liabilities or in enforcement Bank's rights in the Collateral and ratifies and confirm whatever Bank may do with respect to the Collateral or pursuant to this Tranche A Construction Loan Note, the Loan Agreement and any related agreement and agrees that Bank shall not liable for any error in judgment or mistakes of fact or law.

Borrower, any other party liable with respect to the Liabilities and any and all endorsers and accommodation parties, and each of them, waive any and all presentment, demand, notice of dishonor, protect and all other notices and demands in connection with the enforcement of Bank's rights hereunder.

The Tranche A Construction Loans evidenced hereby have been made and this Tranche A Construction Loan Note has been delivered at Chicago, Illinois. THIS TRANCHE A CONSTRUCTION LOAN NOTE SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT AND IN ALL OTHER RESPECTS, INCLUDING, WITHOUT LIMITATION, THE LEGALITY OF THE INTEREST RATE AND OTHER CHARGES. This Tranche A Construction Loan Note shall be binding on Borrower and the successors and assigns of Borrower. If this Tranche A Construction Loan Note contains any blanks when executed by Borrower, Bank is hereby authorized, without notice to Borrower, to complete any such blanks according to the terms upon which the Construction Loan or Loans were granted. Wherever possible, each provision of this Tranche A Construction Loan Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Tranche A Construction Loan Note shall be prohibited by or be invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidity the remaining provisions of this Tranche A Construction Loan Note.

To induce Bank to make the Tranche A Construction Loans evidenced by this Tranche A Construction Loan Note, Borrower irrevocably agrees that, subject to Bank's sole and absolute election, all actions arising directly or indirectly as a result or in consequence of this Tranche A Construction Loan Note or any other agreement with Bank, or the Collateral, shall be instituted and litigated only in courts having situs in the City of Chicago, Illinois. Borrower hereby consents to the exclusive jurisdiction and venue of any local, state or federal court located and having its situs in such city and waives any right it may have to transfer or change the venue of any proceeding brought against Borrower by Bank in accordance with this provision and waives any claim that such proceeding has been brought in an inconvenient forum. Borrower further irrevocably consents to the service of process out of such courts by mailing a copy thereof, by certified mail, return receipt requested, to Borrower at the address indicated in Bank's records and agrees that such service, to the fullest extent permitted by law, shall be deemed completed no later than 5 days after the same has been deposited in the United States mails, shall be deemed in every respect effective service of process upon Borrower in any such suit, action or proceeding and shall be taken and held to be valid personal

service upon and personal delivery to Borrower. Nothing contained herein shall affect the right of Bank to serve process in any other manner permitted by law or preclude Bank from bringing an action or proceeding in respect hereof in any other country, state or place having jurisdiction over such action. BORROWER HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING WHICH PERTAINS DIRECTLY OR INDIRECTLY TO THIS TRANCHE A CONSTRUCTION LOAN NOTE, THE LOAN AGREEMENT, THE LIABILITIES, THE COLLATERAL, ANY ALLEGED TORTIOUS CONDUCT BY BORROWER OR BANK OR WHICH IN ANY WAY, DIRECTLY OR INDIRECTLY, ARISES OUT OF OR RELATES TO THE RELATIONSHIP BETWEEN BORROWER AND BANK.

This Tranche A Construction Loan Note is in replacement for that certain Construction Loan Note dated September 29, 1995 made by Borrower and payable to the order of Bank in the original principal amount of \$7,000,000 (the "Original Note"). The Indebtedness evidenced by the Original Note is continuing Indebtedness and nothing herein shall be deemed to constitute a payment, settlement or novation of the Original Note or release or otherwise adversely affect any lien, mortgage or security interest securing such Indebtedness or any rights of Bank against Borrower. All amounts outstanding under the Original Note shall be transferred to, and be deemed to be outstanding under, this Tranche A Construction Loan Note.

IN WITNESS WHEREOF, Borrower has executed this Tranche A Construction Loan Note on the date set forth above.

METRO METALS CORPORATION

By: \_\_\_\_\_

Title: \_\_\_\_\_



## TRANCHE B CONSTRUCTION LOAN NOTE

\$4,000,000

March 7, 1997  
Chicago, Illinois

For value received, the undersigned, METRO METALS CORPORATION, an Illinois corporation whose address is 6600 U.S. Highway 12, Portage, Indiana 46368 ("Borrower"), promises to pay to the order of LASALLE NATIONAL BANK, a national banking association whose address is 135 South LaSalle Street, Chicago, Illinois 60603 (together with any holder hereof, "Bank"), on the Construction Loan Maturity Date (as defined in the Loan Agreement referred to below), the principal sum of Four Million and 00/100 Dollars (\$4,000,000.00) or, if less, the aggregate unpaid principal amount of all Tranche B Construction Loans (as defined in the Loan Agreement) made by Bank pursuant to the Loan Agreement. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Loan Agreement.

Borrower also promises to pay interest on the unpaid principal amount of each Tranche B Construction Loan from the date of such Tranche B Construction Loan until such principal amount is paid in full at a rate or rates per annum and on the dates specified in the Loan Agreement.

This Tranche B Construction Loan Note is the Tranche B Construction Loan Note referred to in, and evidences indebtedness incurred under, that certain Amended and Restated Loan and Security Agreement dated September 29, 1995, as amended by First Amendment dated June 28, 1996, Second Amendment dated as of September 29, 1996 and Third Amendment dated of even date herewith (as so amended and as amended, restated, supplemented or modified from time to time, the "Loan Agreement") between Borrower and Bank, to which Loan Agreement reference is made for a description of the security for this Tranche B Construction Loan Note and for a statement of the terms and conditions on which Borrower is required to make repayments of the principal of the indebtedness evidenced by this Tranche B Construction Loan Note and on which such indebtedness may be declared to be immediately due and payable.

Borrower hereby authorizes Bank to charge any account of Borrower for all sums due hereunder. If payment hereunder becomes due and payable on a day which is not a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest due on such succeeding Business Day. Credit shall be given for payments made in the manner and at the times provided in the Loan Agreement. It is the intent of the parties that the rate of interest and other charges to Borrower under this Tranche B Construction Loan Note shall be lawful. If for any reason the interest or other charges payable by Borrower hereunder are found by a court of competent jurisdiction, in a final determination, to exceed the limit which Bank may lawfully charge Borrower, the obligation to pay interest or other charges shall automatically be reduced

Borrower waives the benefit of any law that would otherwise restrict or limit Bank in the exercise of its right, which is hereby acknowledged, to set off against the Liabilities, without notice and at any time hereafter, any Indebtedness matured or unmatured owing from Bank to Borrower. Borrower waives every defense, counterclaim or setoff which Borrower may now have or hereafter may have to any action by Bank in enforcing this Tranche B Construction Loan Note or any of the other Liabilities or in enforcement Bank's rights in the Collateral and ratifies and confirm whatever Bank may do with respect to the Collateral or pursuant to this Tranche B Construction Loan Note, the Loan Agreement and any related agreement and agrees that Bank shall not liable for any error in judgment or mistakes of fact or law.

Borrower, any other party liable with respect to the Liabilities and any and all endorsers and accommodation parties, and each of them, waive any and all presentment, demand, notice of dishonor, protest and all other notices and demands in connection with the enforcement of Bank's rights hereunder.

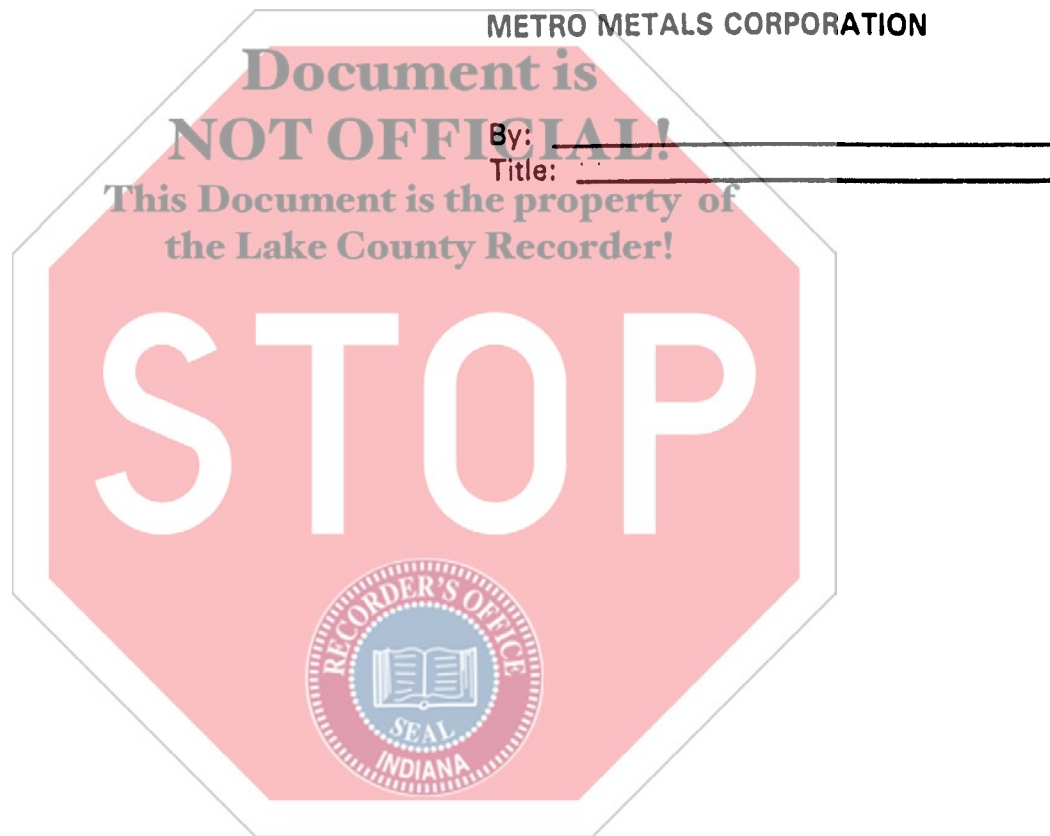
The Tranche B Construction Loans evidenced hereby have been made and this Tranche B Construction Loan Note has been delivered at Chicago, Illinois. THIS TRANCHE B CONSTRUCTION LOAN NOTE SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT AND IN ALL OTHER RESPECTS, INCLUDING, WITHOUT LIMITATION, THE LEGALITY OF THE INTEREST RATE AND OTHER CHARGES. This Tranche B Construction Loan Note shall be binding on Borrower and the successors and assigns of Borrower. If this Tranche B Construction Loan Note contains any blanks when executed by Borrower, Bank is hereby authorized, without notice to Borrower, to complete any such blanks according to the terms upon which the Construction Loan or Loans were granted. Wherever possible, each provision of this Tranche B Construction Loan Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Tranche B Construction Loan Note shall be prohibited by or be invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidity the remaining provisions of this Tranche B Construction Loan Note.

To induce Bank to make the Tranche B Construction Loans evidenced by this Tranche B Construction Loan Note, Borrower irrevocably agrees that, subject to Bank's sole and absolute election, all actions arising directly or indirectly as a result or in consequence of this Tranche B Construction Loan Note or any other agreement with Bank, or the Collateral, shall be instituted and litigated only in courts having situs in the City of Chicago, Illinois. Borrower hereby consents to the exclusive jurisdiction and venue of any local, state or federal court located and having its situs in such city and waives any right it may have to transfer or change the venue of any proceeding brought against Borrower by Bank in accordance with this provision and waives any claim that such proceeding has been brought in an inconvenient forum. Borrower further irrevocably consents to the service of process out of such courts by mailing a copy thereof, by certified mail, return receipt requested, to Borrower at the address indicated in Bank's records and agrees that such service, to the fullest extent permitted by law, shall be deemed completed no later than 5 days after the same has been deposited in the United States mails, shall be deemed in every respect effective service of process upon Borrower in any such suit, action or proceeding and shall be taken and held to be valid personal

service upon and personal delivery to Borrower. Nothing contained herein shall affect the right of Bank to serve process in any other manner permitted by law or preclude Bank from bringing an action or proceeding in respect hereof in any other country, state or place having jurisdiction over such action. BORROWER HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING WHICH PERTAINS DIRECTLY OR INDIRECTLY TO THIS Tranche B CONSTRUCTION LOAN NOTE, THE LOAN AGREEMENT, THE LIABILITIES, THE COLLATERAL, ANY ALLEGED TORTIOUS CONDUCT BY BORROWER OR BANK OR WHICH IN ANY WAY, DIRECTLY OR INDIRECTLY, ARISES OUT OF OR RELATES TO THE RELATIONSHIP BETWEEN BORROWER AND BANK.

IN WITNESS WHEREOF, Borrower has executed this Tranche B Construction Loan Note on the date set forth above.

METRO METALS CORPORATION



## TRANCHE C CONSTRUCTION LOAN NOTE

\$3,000,000

March 7, 1997  
Chicago, Illinois

For value received, the undersigned, METRO METALS CORPORATION, an Illinois corporation whose address is 6600 U.S. Highway 12, Portage, Indiana 46368 ("Borrower"), promises to pay to the order of LASALLE NATIONAL BANK, a national banking association whose address is 135 South LaSalle Street, Chicago, Illinois 60603 (together with any holder hereof, "Bank"), on the Construction Loan Maturity Date (as defined in the Loan Agreement referred to below), the principal sum of Three Million and 00/100 Dollars (\$3,000,000.00) or, if less, the aggregate unpaid principal amount of all Tranche C Construction Loans (as defined in the Loan Agreement) made by Bank pursuant to the Loan Agreement. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Loan Agreement.

Borrower also promises to pay interest on the unpaid principal amount of each Tranche C Construction Loan from the date of such Tranche C Construction Loan until such principal amount is paid in full at a rate or rates per annum and on the dates specified in the Loan Agreement.

This Tranche C Construction Loan Note is the Tranche C Construction Loan Note referred to in, and evidences Indebtedness incurred under, that certain Amended and Restated Loan and Security Agreement dated September 29, 1995, as amended by First Amendment dated June 28, 1996, Second Amendment dated as of September 29, 1996 and Third Amendmend dated of even date herewith (as so amended and as amended, restated, supplemented or modified from time to time, the "Loan Agreement") between Borrower and Bank, to which Loan Agreement reference is made for a description of the security for this Tranche C Construction Loan Note and for a statement of the terms and conditions on which Borrower is required to make repayments of the principal of the indebtedness evidenced by this Tranche C Construction Loan Note and on which such indebtedness may be declared to be immediately due and payable.

Borrower hereby authorizes Bank to charge any account of Borrower for all sums due hereunder. If payment hereunder becomes due and payable on a day which is not a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest due on such succeeding Business Day. Credit shall be given for payments made in the manner and at the times provided in the Loan Agreement. It is the intent of the parties that the rate of interest and other charges to Borrower under this Tranche C Construction Loan Note shall be lawful. If for any reason the interest or other charges payable by Borrower hereunder are found by a court of competent jurisdiction, in a final determination, to exceed the limit which Bank may lawfully charge Borrower, the obligation to pay interest or other charges shall automatically be reduced

to such limit and, if any amount in excess of such limit shall have been paid, then such amount shall be refunded to Borrower.

Borrower waives the benefit of any law that would otherwise restrict or limit Bank in the exercise of its right, which is hereby acknowledged, to set off against the Liabilities, without notice and at any time hereafter, any Indebtedness matured or unmatured owing from Bank to Borrower. Borrower waives every defense, counterclaim or setoff which Borrower may now have or hereafter may have to any action by Bank in enforcing this Tranche C Construction Loan Note or any of the other Liabilities or in enforcement Bank's rights in the Collateral and ratifies and confirm whatever Bank may do with respect to the Collateral or pursuant to this Tranche C Construction Loan Note, the Loan Agreement and any related agreement and agrees that Bank shall not liable for any error in judgment or mistakes of fact or law.

Borrower, any other party liable with respect to the Liabilities and any and all endorsers and accommodation parties, and each of them, waive any and all presentment, demand, notice of dishonor, protect and all other notices and demands in connection with the enforcement of Bank's rights hereunder.

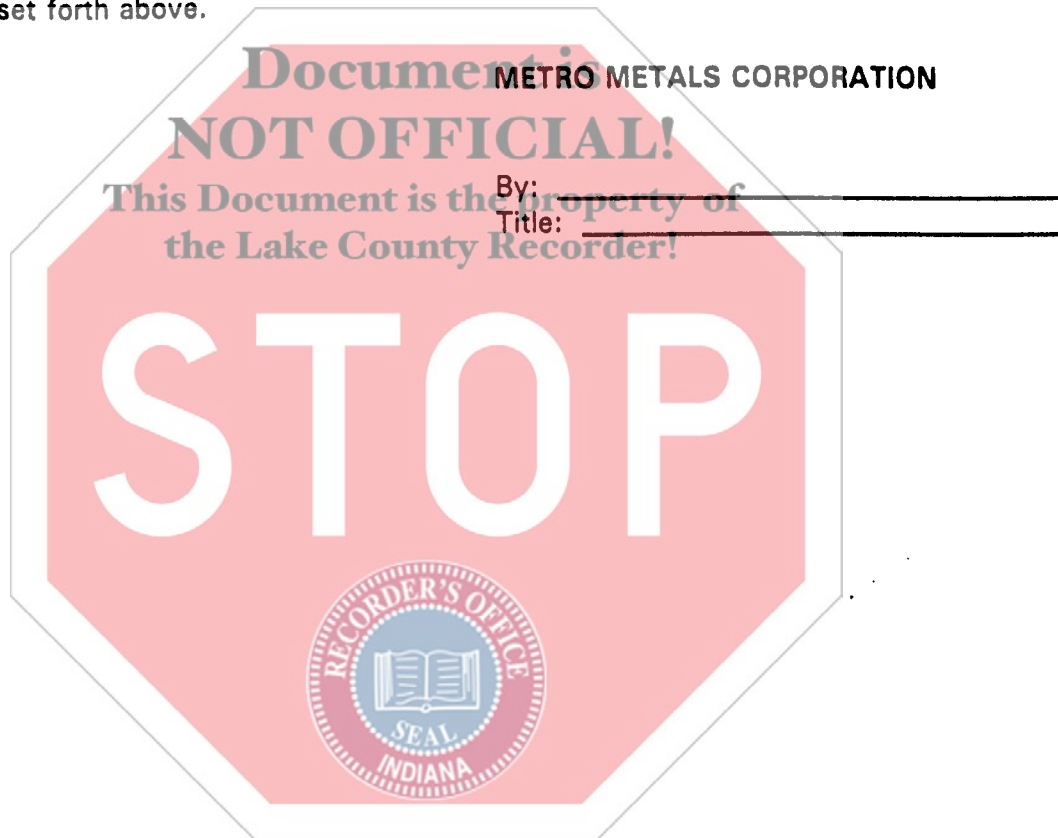
The Tranche C Construction Loans evidenced hereby have been made and this Tranche C Construction Loan Note has been delivered at Chicago, Illinois. THIS TRANCHE C CONSTRUCTION LOAN NOTE SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT AND IN ALL OTHER RESPECTS, INCLUDING, WITHOUT LIMITATION, THE LEGALITY OF THE INTEREST RATE AND OTHER CHARGES. This Tranche C Construction Loan Note shall be binding on Borrower and the successors and assigns of Borrower. If this Tranche C Construction Loan Note contains any blanks when executed by Borrower, Bank is hereby authorized, without notice to Borrower, to complete any such blanks according to the terms upon which the Construction Loan or Loans were granted. Wherever possible, each provision of this Tranche C Construction Loan Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Tranche C Construction Loan Note shall be prohibited by or be invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidity the remaining provisions of this Tranche C Construction Loan Note.

To induce Bank to make the Tranche C Construction Loans evidenced by this Tranche C Construction Loan Note, Borrower irrevocably agrees that, subject to Bank's sole and absolute election, all actions arising directly or indirectly as a result or in consequence of this Tranche C Construction Loan Note or any other agreement with Bank, or the Collateral, shall be instituted and litigated only in courts having situs in the City of Chicago, Illinois. Borrower hereby consents to the exclusive jurisdiction and venue of any local, state or federal court located and having its situs in such city and waives any right it may have to transfer or change the venue of any proceeding brought against Borrower by Bank in accordance with this provision and waives any claim that such proceeding has been brought in an inconvenient forum. Borrower further irrevocably consents to the service of process out of such courts by mailing a copy thereof, by certified mail, return receipt requested, to Borrower at the address indicated in Bank's records and agrees that such service, to the fullest extent permitted by



law, shall be deemed completed no later than 5 days after the same has been deposited in the United States mails, shall be deemed in every respect effective service of process upon Borrower in any such suit, action or proceeding and shall be taken and held to be valid personal service upon and personal delivery to Borrower. Nothing contained herein shall affect the right of Bank to serve process in any other manner permitted by law or preclude Bank from bringing an action or proceeding in respect hereof in any other country, state or place having jurisdiction over such action. BORROWER HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING WHICH PERTAINS DIRECTLY OR INDIRECTLY TO THIS Tranche C CONSTRUCTION LOAN NOTE, THE LOAN AGREEMENT, THE LIABILITIES, THE COLLATERAL, ANY ALLEGED TORTIOUS CONDUCT BY BORROWER OR BANK OR WHICH IN ANY WAY, DIRECTLY OR INDIRECTLY, ARISES OUT OF OR RELATES TO THE RELATIONSHIP BETWEEN BORROWER AND BANK.

IN WITNESS WHEREOF, Borrower has executed this Tranche C Construction Loan Note on the date set forth above.



**EXHIBIT C**

**FORMS OF TERM LOAN NOTES**



## TRANCHE A TERM LOAN NOTE

\$ \_\_\_\_\_

\_\_\_\_\_, 1997  
Chicago, Illinois

For value received, the undersigned, **METRO METALS CORPORATION**, an Illinois corporation whose address is 6600 U.S. Highway 12, Portage, Indiana 46368 ("Borrower"), promises to pay to the order of **LASALLE NATIONAL BANK**, a national banking association whose address is 135 South LaSalle Street, Chicago, Illinois 60603 (together with any holder hereof, "Bank"), the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), payable in monthly installments in the amounts set forth in the Loan Agreement referred to below commencing on the first day of October, 1997 and continuing through and including March 1, 2004, with a final payment of all outstanding principal due on April 1, 2004.

Borrower further promises to pay interest on the unpaid principal amount hereof from the date hereof until payment in full at a rate or rates per annum and on the dates specified in the Loan Agreement.

This Tranche A Term Loan Note is the Tranche A Term Loan Note referred to in, and evidences indebtedness incurred under, that certain Amended and Restated Loan and Security Agreement dated September 29, 1995, as amended by First Amendment dated June 28, 1996, Second Amendment dated as of September 29, 1996 and Third Amendment dated as March 7, 1997 (as so amended and as amended, restated, supplemented or modified from time to time, the "Loan Agreement") between Borrower and Bank, to which Loan Agreement reference is made for a description of the security for this Tranche A Term Loan Note and for a statement of the terms and conditions on which Borrower is required to make repayments of the principal of the indebtedness evidenced by this Tranche A Term Loan Note and on which such indebtedness may be declared to be immediately due and payable. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Loan Agreement.

Borrower hereby authorizes Bank to charge any account of Borrower for all sums due hereunder. If payment hereunder becomes due and payable on a day which is not a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest due on such succeeding Business Day. Credit shall be given for payments made in the manner and at the times provided in the Loan Agreement. It is the intent of the parties that the rate of interest and other charges to Borrower under this Tranche A Term Loan Note shall be lawful. If for any reason the interest or other charges payable by Borrower hereunder are found by a court of competent jurisdiction, in a final determination, to exceed the limit which Bank may lawfully charge Borrower, the obligation to pay interest or other charges shall automatically be reduced to such limit and, if any amount in excess of such limit shall have been paid, then such amount shall be refunded to Borrower.

Borrower waives the benefit of any law that would otherwise restrict or limit Bank in the exercise of its right, which is hereby acknowledged, to set off against the Liabilities, without notice and at any time hereafter, any Indebtedness matured or unmatured owing from Bank to Borrower. Borrower waives every defense, counterclaim or setoff which Borrower may now have or hereafter may have to any action by Bank in enforcing this Tranche A Term Loan Note or any of the other Liabilities or in enforcement Bank's rights in the Collateral and ratifies and confirms whatever Bank may do with respect to the Collateral or pursuant to this Tranche A Term Loan Note, the Loan Agreement and any related agreement and agrees that Bank shall not liable for any error in judgment or mistakes of fact or law.

Borrower, any other party liable with respect to the Liabilities and any and all endorsers and accommodation parties, and each of them, waive any and all presentment, demand, notice of dishonor, protest and all other notices and demands in connection with the enforcement of Bank's rights hereunder.

The Tranche A Term Loan evidenced hereby has been made and this Tranche A Term Loan Note has been delivered at Chicago, Illinois. THIS TRANCHE A TERM LOAN NOTE SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT AND IN ALL OTHER RESPECTS, INCLUDING, WITHOUT LIMITATION, THE LEGALITY OF THE INTEREST RATE AND OTHER CHARGES. This Tranche A Term Loan Note shall be binding on Borrower and the successors and assigns of Borrower. If this Tranche A Term Loan Note contains any blanks when executed by Borrower, Bank is hereby authorized, without notice to Borrower, to complete any such blanks according to the terms upon which the Tranche A Term Loans were granted. Wherever possible, each provision of this Tranche A Term Loan Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Tranche A Term Loan Note shall be prohibited by or be invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidity the remaining provisions of this Tranche A Term Loan Note.

To induce Bank to make the Tranche A Term Loan evidenced by this Tranche A Term Loan Note, Borrower irrevocably agrees that, subject to Bank's sole and absolute election, all actions arising directly or indirectly as a result or in consequence of this Tranche A Term Note or any other agreement with Bank, or the Collateral, shall be instituted and litigated only in courts having situs in the City of Chicago, Illinois. Borrower hereby consents to the exclusive jurisdiction and venue of any local, state or federal court located and having its situs in such city and waives any right it may have to transfer or change the venue of any proceeding brought against Borrower by Bank in accordance with this provision and waives any claim that such proceeding has been brought in an inconvenient forum. Borrower further irrevocably consents to the service of process out of such courts by mailing a copy thereof, by certified mail, return receipt requested, to Borrower at the address indicated in Bank's records and agrees that such service, to the fullest extent permitted by law, shall be deemed completed no later than 5 days after the same has been deposited in the United States mails, shall be deemed in every respect effective service of process upon Borrower in any such suit, action or proceeding and shall be taken and held to be valid personal service upon and personal delivery to Borrower. Nothing contained herein shall affect the right of Bank to serve process in any other manner permitted by law or preclude Bank from bringing an action or proceeding

in respect hereof in any other country, state or place having jurisdiction over such action. BORROWER HEREBY WAIVES ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING WHICH PERTAINS DIRECTLY OR INDIRECTLY TO THIS TRANCHE A TERM LOAN NOTE, THE LOAN AGREEMENT, THE LIABILITIES, THE COLLATERAL, ANY ALLEGED TORTIOUS CONDUCT BY BORROWER OR BANK OR WHICH IN ANY WAY, DIRECTLY OR INDIRECTLY, ARISES OUT OF OR RELATES TO THE RELATIONSHIP BETWEEN BORROWER AND BANK.

IN WITNESS WHEREOF, Borrower has executed this Tranche A Term Loan Note on the date set forth above.

**METRO METALS CORPORATION**

By: \_\_\_\_\_

Title: \_\_\_\_\_



## TRANCHE B TERM LOAN NOTE

\$ \_\_\_\_\_

\_\_\_\_\_, 1997  
Chicago, Illinois

For value received, the undersigned, **METRO METALS CORPORATION**, an Illinois corporation whose address is 6600 U.S. Highway 12, Portage, Indiana 46368 ("**Borrower**"), promises to pay to the order of **LASALLE NATIONAL BANK**, a national banking association whose address is 135 South LaSalle Street, Chicago, Illinois 60603 (together with any holder hereof, "**Bank**"), the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), payable in monthly installments in the amounts set forth in the Loan Agreement referred to below commencing on the first day of October, 1997 and continuing through and including March 1, 1998, with a final payment of all outstanding principal due on March 1, 1999.

Borrower further promises to pay interest on the unpaid principal amount hereof from the date hereof until payment in full at a rate or rates per annum and on the dates specified in the Loan Agreement.

This Tranche B Term Loan Note is the Tranche B Term Loan Note referred to in, and evidences indebtedness incurred under, that certain Amended and Restated Loan and Security Agreement dated September 29, 1995, as amended by First Amendment dated June 28, 1996, Second Amendment dated as of September 29, 1996 and Third Amendment dated as of March 7, 1997 (as so amended and as amended, restated, supplemented or modified from time to time, the "**Loan Agreement**") between Borrower and Bank, to which Loan Agreement reference is made for a description of the security for this Tranche B Term Loan Note and for a statement of the terms and conditions on which Borrower is required to make repayments of the principal of the indebtedness evidenced by this Tranche B Term Loan Note and on which such indebtedness may be declared to be immediately due and payable. Capitalized terms used and not otherwise defined herein have the meanings set forth in the Loan Agreement.

Borrower hereby authorizes Bank to charge any account of Borrower for all sums due hereunder. If payment hereunder becomes due and payable on a day which is not a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest due on such succeeding Business Day. Credit shall be given for payments made in the manner and at the times provided in the Loan Agreement. It is the intent of the parties that the rate of interest and other charges to Borrower under this Tranche B Term Loan Note shall be lawful. If for any reason the interest or other charges payable by Borrower hereunder are found by a court of competent jurisdiction, in a final determination, to exceed the limit which Bank may lawfully charge Borrower, the obligation to pay interest or other charges shall automatically be reduced to such limit and, if any amount in excess of such limit shall have been paid, then such amount shall be refunded to Borrower.

Borrower waives the benefit of any law that would otherwise restrict or limit Bank in the exercise of its right, which is hereby acknowledged, to set off against the Liabilities, without notice and at any time hereafter, any indebtedness matured or unmatured owing from Bank to Borrower. Borrower waives every defense, counterclaim or setoff which Borrower may now have or hereafter may have to any action by Bank in enforcing this Tranche B Term Loan Note or any of the other Liabilities or in enforcement Bank's rights in the Collateral and ratifies and confirms whatever Bank may do with respect to the Collateral or pursuant to this Tranche B Term Loan Note, the Loan Agreement and an related agreement and agrees that Bank shall not liable for any error in judgment or mistakes of fact or law.

Borrower, any other party liable with respect to the Liabilities and any and all endorsers and accommodation parties, and each of them, waive any and all presentment, demand, notice of dishonor, protest and all other notices and demands in connection with the enforcement of Bank's rights hereunder.

The Tranche B Term Loan evidenced hereby has been made and this Tranche B Term Loan Note has been delivered at Chicago, Illinois. THIS TRANCHE B TERM LOAN NOTE SHALL BE GOVERNED AND CONTROLLED BY THE INTERNAL LAWS OF THE STATE OF ILLINOIS AS TO INTERPRETATION, ENFORCEMENT, VALIDITY, CONSTRUCTION, EFFECT AND IN ALL OTHER RESPECTS, INCLUDING, WITHOUT LIMITATION, THE LEGALITY OF THE INTEREST RATE AND OTHER CHARGES. This Tranche B Term Loan Note shall be binding on Borrower and the successors and assigns of Borrower. If this Tranche B Term Loan Note contains any blanks when executed by Borrower, Bank is hereby authorized, without notice to Borrower, to complete any such blanks according to the terms upon which the Tranche B Term Loans were granted. Wherever possible, each provision of this Tranche B Term Loan Note shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Tranche B Term Loan Note shall be prohibited by or be invalid under such law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidity the remaining provisions of this Tranche B Term Loan Note.

To induce Bank to make the Tranche B Term Loan evidenced by this Tranche B Term Loan Note, Borrower irrevocably agrees that, subject to Bank's sole and absolute election, all actions arising directly or indirectly as a result or in consequence of this Tranche B Term Note or any other agreement with Bank, or the Collateral, shall be instituted and litigated only in courts having situs in the City of Chicago, Illinois. Borrower hereby consents to the exclusive jurisdiction and venue of any local, state or federal court located and having its situs in such city and waives any right it may have to transfer or change the venue of any proceeding brought against Borrower by Bank in accordance with this provision and waives any claim that such proceeding has been brought in an inconvenient forum. Borrower further irrevocably consents to the service of process out of such courts by mailing a copy thereof, by certified mail, return receipt requested, to Borrower at the address indicated in Bank's records and agrees that such service, to the fullest extent permitted by law, shall be deemed completed no later than 5 days after the same has been deposited in the United States mails, shall be deemed in every respect effective service of process upon Borrower in any such suit, action or proceeding and shall be taken and held to be valid personal service upon and personal delivery to Borrower. Nothing contained herein shall affect the right of Bank to serve process in any other manner permitted by law or preclude Bank from bringing an action or proceeding

IN WITNESS WHEREOF, Borrower has executed this Supplemental Term Loan B Note on the date set forth above.

METRO METALS CORPORATION

By: \_\_\_\_\_  
Title: \_\_\_\_\_

