

(iv) The Bank may, at no expense to the undersigned, in accordance with the terms of agreements between the Bank and the Company, enter onto the Premises at any time or times and take possession of, sever or remove the Property or any part thereof and said Property upon severance and/or removal may be sold, transferred or otherwise disposed of free and discharged of all liens, claims, demands, rights or interests of the undersigned.

(v) The Bank agrees to repair any damage caused by any severance and/or removal of the Property to the extent reasonably necessary to restore the Premises to its condition immediately prior to such removal.

(vi) The undersigned agrees not to take any action to terminate the Company's right to occupy the Premises or to have the Property located on the Premises removed from the Premises without 30 days prior written notice to the Bank at its address shown below.

(vii) All terms and conditions of this Declaration and Agreement shall be binding upon the heirs, executors, administrators, successors and assigns or encumbrancers of the undersigned.

(viii) This Declaration and Agreement shall be governed by and construed in accordance with the laws of the State of Indiana without regard to conflict of laws principles.

Executed this 10th day of July, 1997.

LANDLORD

Ann K. Mamm...
[NAME]

By: *Chase Trust Industrial Co., Inc.*
Its: *member*

Acknowledged and Agreed to this
10th day of July, 1997:

SLITTING SERVICES, INC.

By: *Sam With*
Its: *president*

P.E.P. EQUIPMENT CO.

By: *Sam With*
Its: *V.P.*

KELCO METALS, INC.

By: Matthew J. Keller
Its: President

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO

By: Diane M. Faunda
Its: Vice President

American National Bank and
Trust Company of Chicago
30 North LaSalle Street
Chicago, Illinois 60690
Attention: Joseph P. Gaffigan and
Diane M. Faunda

ANNEX A

Description of the Property

Debtor: Kelco Metals, Inc., Slitting Services, Inc. and P.E.P. Equipment Co., referred to below both individually and collectively as "Debtor".

All of the Debtor's property, wherever located, whether now or hereafter existing, owned, licensed, leased (to the extent of the Debtor's leasehold interest therein), consigned (to the extent of the Debtor's ownership interest therein), arising or acquired including, without limitation, all of the Debtor's:

- (i) Accounts;
- (ii) Certificated Securities;
- (iii) Chattel Paper;
- (iv) Computer Hardware and Software and all rights with respect thereto, including, without limitation, any and all licenses, options, warranties, service contracts, program services, test rights, maintenance rights, support rights, improvement rights, renewal rights and indemnifications, and any substitutions, replacements, additions or model conversions of any of the foregoing;
- (v) Deposit Accounts;
- (vi) Documents;
- (vii) General Intangibles (including, without limitation, (A) all of the Debtor's Intellectual Property, (B) any rights of the Debtor arising from time to time to receive payment under a billing to a Person representing such Person's obligation to reimburse the Debtor for indebtedness paid or to be paid by the Debtor for such Person's account, (C) any rights of the Debtor arising out of leases, licenses and contracts which are not Accounts and (D) tax refunds);
- (viii) Equipment, including but not limited to the Equipment described on Schedule 1 attached hereto and incorporated herein;
- (ix) Goods (including, without limitation, all its Consumer Goods, Fixtures and Inventory and all of the foregoing located on the premises described in Exhibit B hereto, but excluding all Hazardous Materials, provided that this reference to Hazardous Materials shall not constitute evidence

of the Secured Party's knowledge of the existence of any Hazardous Materials of the Debtor); together with all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor and all accessories, parts and other property used in connection therewith;

- (x) Instruments;
- (xi) Insurance policies, including claims or rights to payment thereunder;
- (xii) Liens, guaranties and other rights and privileges pertaining to any of the Collateral;
- (xiii) Right, title and interest in any Goods, the sale or lease of which shall have given or shall give rise to, and in all guaranties and other property securing the payment of or performance under, any Account, any General Intangible, or any Chattel Paper or Instrument; and
- (xiv) Uncertificated Securities;

together with all books, records, writings, data bases, information and other property relating to, used or useful in connection with, evidencing, embodying, incorporating or referring to, any of the foregoing, and all proceeds (including but not limited to insurance proceeds), products, offspring, rents, issues, profits and returns of and from any of the foregoing.

DEFINITIONS

"Accounts" has the meaning assigned to such term in the Uniform Commercial Code and in addition includes the following, whether now existing or created at any time hereafter: all present and future rights to payment for goods, merchandise or inventory sold or leased or for services rendered, including, without limitation, those which are not evidenced by instruments or chattel paper, and whether or not the same are listed on any schedules, reports or assignments furnished to Bank from time to time; accounts; proceeds of any letters of credit; contract rights; chattel paper; instruments; documents; insurance proceeds; and any and all other obligations whatsoever owing to Company; together with all instruments and all documents of title representing any of the foregoing; all rights in any goods, merchandise or inventory which any of the same may represent; all rights in any returned or repossessed goods, merchandise and inventory; and all right, title, security and guaranties with respect to each of the foregoing, including, without limitation, any rights and remedies of an unpaid vendor or lienor; and any liens held by the Company as a mechanic,

contract or, subcontractor, processor, materialman, machinist, manufacturer, artisan or otherwise.

"Certificated Securities" has the meaning assigned to such term in the Uniform Commercial Code.

"Chattel Paper" has the meaning assigned to such term in the Uniform Commercial Code.

"Computer Hardware and Software" means (i) all computer and other electronic data processing hardware, whether now owned, licensed or leased or hereafter acquired by the Company, integrated computer systems, central processing units, memory units, display terminals, printers, features, computer elements, card readers, tape drives, hard and soft disk drives, cables, electrical supply hardware, generators, power equalizers, accessories and all peripheral devices and other related computer hardware; (ii) all software programs, whether now owned, licensed or leased or hereafter acquired by the Company, designed for use on the computers and electronic data processing hardware described in clause (i) above, including, without limitation, operating system software, utilities and application programs in whatsoever form (source code and object code in magnetic tape, disk or hard copy format or any other listings whatsoever); (iii) all firmware associated therewith, whether now owned, licensed or leased or hereafter acquired by the Company; and (iv) all documentation for such hardware, software and firmware described in the preceding clauses (i), (ii) and (iii), whether now owned, licensed or leased or hereafter acquired by the Company, including, without limitation, flow charts, logic diagrams, manuals, specifications, training materials, charts and pseudo codes.

"Consumer Goods" has the meaning assigned to such term in the Uniform Commercial Code.

"Deposit Accounts" has the meaning assigned to such term in the Uniform Commercial Code.

"Documents" has the meaning assigned to such term in the Uniform Commercial Code.

"Equipment" has the meaning assigned to such term in the Uniform Commercial Code and in addition includes all property of every kind and nature used or bought for use in the Debtor's business whether now owned or hereafter acquired by the Debtor, together with all accessions, additions, attachments, improvements, substitutions and replacements thereto and therefor and all accessories, parts and other property used in connection therewith, and all proceeds and products thereof.

"Fixtures" has the meaning assigned to such term in the Uniform Commercial Code.

"General Intangibles" has the meaning assigned to such term in the Uniform Commercial Code.

"Goods" has the meaning assigned to such term in the Uniform Commercial Code.

"Hazardous Material" means any chemical, substance, material, object, condition, waste or combination thereof which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, all of those chemicals, substances, materials, objects, conditions, wastes or combinations thereof which are now or become listed, defined or regulated in any manner by any federal state or local law based upon, directly or indirectly, such properties or effects.

"Instrument" has the meaning assigned to such term in the Uniform Commercial Code.

"Intellectual Property" means all past, present and future: trade secrets and other proprietary information; trademarks, trade names, service marks, business names, designs, logos, indicia, and/or other source and/or business identifiers and the goodwill of the business relating thereto and all registrations which have heretofore been or may hereafter be issued thereon throughout the world; copyrights (including, without limitation, copyrights for computer programs) and copyright registrations which have heretofore been or may hereafter be issued throughout the world and all tangible property embodying the copyrights; unpatented inventions (whether or not patentable); patent applications and patents; license agreements related to any of the foregoing set forth in this definition and income therefrom; books, records, writings, computer tapes or disks, flow diagrams, specification sheets, source codes, object codes and other physical manifestations, embodiments or incorporations of the foregoing set forth in this definition; the right to sue for all past, present and future infringements of any of the foregoing set forth in this definition; and all common law and other rights throughout the world in and to all of the foregoing set forth in this definition.

"Inventory" has the meaning assigned to such term in the Uniform Commercial Code and includes without limitation (i) all goods, manufactured or acquired for sale or lease, and any piece goods raw materials, work in process and finished merchandise, goods, incidentals, office supplies, packing materials, and any and all items including machinery and equipment used or consumed in the operation of the business of the Company and which contribute to the finished product or to the sale, promotion and shipment thereof, in which Company now or at any time hereafter may have an interest whether or not such inventory is listed or on any reports furnished to Bank from time to time; (ii) all inventory whether or not the same is in transit or in the constructive, actual or

exclusive occupancy or possession of Company of others for Company's account, including without limitation all goods covered by purchase orders and contracts with suppliers and all goods billed and held by suppliers; (iii) all inventory which may be located on premises of Company or of any carrier, forwarding agents, truckers, warehousemen, vendors, selling agents or third parties; (iv) all general intangibles relating to or arising out of inventory; and (v) all proceeds and products of the foregoing resulting from the sale, lease or other disposition of inventory, including cash, insurance proceeds, accounts receivable, other non-cash proceeds and trade-ins.

"Liens" means any mortgage, pledge, lien, security interest or other charge, encumbrance or preferential arrangement, including the retained security title of a conditional vendor or lessor.

"Uncertificated Securities" has the meaning assigned to such term in the Uniform Commercial Code.

ANNEX B

Legal Description

SCM LAND TITLE

Boys H J K L M in 700 Chase Street Industrial Center

DESCRIPTION: Part of the Southeast Quarter of Section 6, Township 36 North, Range 8 West, more particularly described as follows: Beginning at the Southeast corner of said Section 6; thence North 89° 13' 15" West along the North Right-of-Way line of the Penn Central Railroad (formerly the Gary and Western Railroad), a distance of 1477.86 feet; thence North 00° 43' 45" East, a distance of 1473.32 feet; thence South 89° 16' 15" East, a distance of 1459.09 feet; thence South 00° 00' 00" East along the West Right-of-Way line of Chase Street, a distance of 1474.72 feet to the point of beginning, containing 49.69 Acres, more or less, all in the City of Gary, Lake County, Indiana.

ACCESSORY EQUIPMENT

10,000# FORKLIFT

70,000# DIGITAL CRANE SCALE

50,000# DIGITAL CRANE SCALE

40,000# C-HOOK

50,000# COIL GRABS (2)

20,000# C-HOOK

OLSEN DUCTILITY TESTED

ROCKWELL SURFACE HARDNESS TEST

NEW LINCOLN PORTABLE WELDER

MISC. BANDING, TOOLS, SUPPLIES AND COMPLETE SKID MAKING WOOD SHOP

SS456-2040

(2)

OUTBOARD SUPPORT IS ATTACHED TO THE UNCOILER HOUSING THROUGH AN I-BEAM. AS THE UNCOILER SHIFTS ON ITS BASE, THE OUTBOARD SUPPORT MOVES ON LINEAR BEARINGS.

ITEM 5.

SLITTER DRIVE CONVERSION TO INCLUDE:

- A. REMOVE EXISTING FEED-UP THREADING DRIVE
- B. SUPPLY NEW 100 HP SOLID STATE D.C. DRIVE AND CONTROLS
- C. SUPPLY NEW GEAR REDUCER, COUPLINGS, MOUNTING HARDWARE, ETC. FOR DRIVE TO SLITTER HEAD TIE-IN
- D. SLITTER TO BE GEARED IN AT 800 FT/MIN MAXIMUM STRIP SPEED

ITEM 6.

(1) NEW 72" WIDE X 12 FT LONG COMBINATION LOOP DOUBLER/PIT CROSSOVER TABLE

- A. MAXIMUM STRIP WIDTH CAPACITY: 72"
- B. HEAVY DUTY STRUCTURAL STEEL CONSTRUCTION
- C. POWERED LOOP DOUBLER PINCH ROLL HEAD ASSEMBLY TRAVERSES SLIT STRANDS ACROSS LOOPING PIT FOR FEED-UP THROUGH TENSION STAND TO RECOILER
- D. STRAND SEPARATOR TOOLING BAR LOCATED DIRECTLY AHEAD OF LOOP DOUBLER ROLL ASSEMBLY
- E. URETHAN COVERED LOOP ENTRY AND EXIT ROLLERS CONTAINED IN UNIT
- F. LOOP DOUBLER HEAD SUPPORT FRAMEWORK PROVIDES MAN BARRIER PROTECTION AROUND PERIMETER OF LOOPING PIT

ITEM 7.

(1) NEW 72" WIDE COMBINATION DRAG AND ROLL TYPE TENSION STAND

- A. MAXIMUM COIL WIDTH CAPACITY: 72"
- B. (2) QUICK CHANGE SIDE REMOVAL TYPE TOOLING BARS (TOOLING NOT INCLUDED)
- C. DRAG PAD TENSION PROVIDED VIA HYDRAULIC CYLINDERS
- D. REMOVABLE DRAG BOARD PROVIDED FOR EASY FELT

S5456-2040

(3)

- CHANGE**
- E. ROLL TENSION STAND PROVIDED WITH (2) 10" DIAMETER, GROOVED, URETHANE COVERED "OFF-SET" DRAG ROLLS**
 - F. NIP PRESSURE PROVIDED THROUGH ANTI-BACKLASH SCREW JACKS**
 - G. ROLL TENSION FORCE PROVIDED VIA WICHITA WATER-COOLED AIR DRAG BRAKE**
 - H. SELF-CONTAINED, RECIRCULATING, WATER THERMAL COOLING UNIT SUPPLIED**
 - I. EXIT PASSLINE ROLL PROVIDED**
 - J. HYDRAULICS TAKEN FROM LINE HYDRAULICS**
 - K. OPERATOR CONTROLS SUPPLIED**
 - L. HYDRAULIC MOTOR POWERED TENSION ROLLS FOR DRIVEN FEED-UP OF SLIT STRANDS TO RECOILER**
- ITEM 8. (1) USED 1988 PRO ECO 8; ARBOR DIAMETER X 64" WIDE SLITTING HEAD AND TOOLING.**
- ITEM 9. REQUIRED MODIFICATIONS TO PRO ECO 60" SLITTER HEAD TO BE USED AS A SECOND HEAD ON THIS LINE.**
- ITEM 10. (1) NEW 50,000 LBS. CAPACITY X 72" WIDE EXIT COIL CAR**
- ITEM 11. (1) USED 10,000 LBS. CAPACITY X 72" O.D. MANUAL BANDING LINE CONSISTING OF THE FOLLOWING:**
- A. (1) 10,000 LBS. CAPACITY DOWNLAYER**
 - B. (1) COIL I.D. GRAB**
 - C. 30 FT. POWERED ROLLER CONVEYOR AND 10 FT. SPLIT IDLER ROLLER CONVEYOR**
 - D. 5-TON CAPACITY POWERED HOIST, TROLLEY, AND SUPPORT BEAM STRUCTURE**
 - E. CUSTOMER TO PROVIDE SEMI-AUTOMATIC BANDER AND BANDING TABLE**
- ITEM 12. INSTALLATION AND LINE START-UP AT CUSTOMER'S FACILITY IN GARY, INDIANA**
(NOTE: CUSTOMER RESPONSIBLE FOR ALL FOUNDATION WORK,

SS456-2040

(4)

I.E., LOOPING FIT INSTALLATION, TRENCHES, CONCRETE WORK, SUFFICIENT INFED ELECTRICAL POWER RUN TO FUSED DISCONNECT WITHIN 15 FT. OF LINE PLACEMENT, 80 P.S.I. AIR FEED LINE WITHIN 15 FT. OF LINE PLACEMENT.)

- ITEM 13. (NEW) ENGINEERING GENERAL ARRANGEMENT, SCHEMATIC, AND FOUNDATION BOLT LOCATIONS, TRENCH, AND LOOPING FIT DRAWINGS. ACTUAL FOUNDATION LOAD BEARING, STRESSES, REINFORCEMENT, AND CONCRETE STRENGTH IS BUYER'S RESPONSIBILITY.
- ITEM 14. ALL FREIGHT CHARGES ON EQUIPMENT INCLUDED.

STATE OF INDIANA)
) SS
LAKE COUNTY)

I, Anne Maynard, a Notary Public in and for said County, in the State aforesaid,
DO HEREBY CERTIFY that JAMES WIRTH who is
personally known to me to be the J. P. of POP EQUIPMENT, CO.
is the same person whose name is subscribed to the foregoing instrument, appeared
before me this day in person, and acknowledged that he/she signed and delivered the said
instrument as J. P. of said entity as his/her free and voluntary act
for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 11th day of July, 1997



Anne Maynard, Notary Public


My Commission Expires:

December 9, 1997

STATE OF INDIANA)
) SS
LAKE COUNTY)

I, Anne Maynard, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that MATTHEW KELLER who is personally known to me to be the PRESIDENT of KEROO METALS, INC. is the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she signed and delivered the said instrument as PRESIDENT of said entity as his/her free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 11th day of July, 1997



Anne Maynard, Notary Public

My Commission Expires:
December 9, 1997

STATE OF INDIANA)
) SS
LAKE COUNTY)

I, Anne Maynard, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JAMES WIRTH who is personally known to me to be the PRESIDENT of SHITTING SOURCE, INC. is the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she signed and delivered the said instrument as PRESIDENT of said entity as his/her free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 11th day of July, 1997



Anne Maynard, Notary Public


My Commission Expires:

December 9, 1997

STATE OF INDIANA)
)
LAKE COUNTY) SS

I, Anne Maynard, a Notary Public in and for said County, in the State aforesaid,
DO HEREBY CERTIFY that BRUCE MANNALLO who is
personally known to me to be the MEMBER of CHASE STREET INDUSTRIAL
is the same person whose name is subscribed to the foregoing instrument, appeared CENTER,
before me this day in person, and acknowledged that he/she signed and delivered the said LLC
instrument as MEMBER of said entity as his/her free and voluntary act
for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 11th day of July, 1997


Anne Maynard, Notary Public

My Commission Expires:

December 9, 1997

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, GEORGIA A. VARGO, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that DIANE M. FAUNDA, who is personally known to me to be the Vice President of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, and the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed and delivered the said instrument as Vice President of said association, as her free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 4th day of August, 1997.

Georgia A. Vargo

Notary Public

My Commission Expires:
January 25, 1997

