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FIRST AMENDMENT TO LEASEHOLD MORTGAGE,
SECURITY AGREEMENT AND FIXTURE FILING

BY

DEPOT HILL FUNDING, LIMITED PARTNERSHIP,
as Mortgagor

TO

THE BANK OF NOVA SCOTIA, AS COLLATERAL AGENT,
as Mortgagee

Document is
NOT OFFICIAL!

This Document is the property of
the Lake County Recorder!
DATED AS OF May 28, 1998

STOP
FILED
JUN 02 1998
SAM ORLICH
AUDITOR LAKE COUNTY



THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN
TO:

Mark C. Zaander
Schiff Hardin & Waite
8585 Broadway
Suite 842
Merrillville, Indiana 46410

THIS DOCUMENT IS NOT A
CONVEYANCE DOCUMENT WITHIN THE
MEANING OF, AND IS EXEMPT FROM
THE INDIANA REAL PROPERTY SALES
DISCLOSURE ACT UNDER, IC SECTION
6-1.1-5.5-2(1), AS IT IS AN AMENDMENT
TO A LEASEHOLD MORTGAGE, AND IS
NOT A SALE OR TRANSFER OF AN
INTEREST IN REAL ESTATE SUBJECT
TO, AND NO GROSS INCOME TAX IS
DUE UNDER, IC SECTION 6-2.1-8-5(a).

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Chicago Life Insurance Company

**FIRST AMENDMENT TO LEASEHOLD MORTGAGE,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS FIRST AMENDMENT TO LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING (this "Amendment") is made as of May 28, 1998, by and between **DEPOT HILL FUNDING, LIMITED PARTNERSHIP**, a Delaware limited partnership having an address at ML Leasing Equipment Corp., World Financial Center, North Tower, 250 Vesey Street, New York, New York 10281-1327 ("Mortgagor"), and **THE BANK OF NOVA SCOTIA**, as Collateral Agent on behalf of and for the benefit of the Secured Parties, having an address at Suite 2700, 600 Peachtree Street, N.E., Atlanta, Georgia 30308 ("Mortgagee").

WITNESSETH

WHEREAS, Mortgagor and Mortgagee entered into that certain Leasehold Mortgage, Security Agreement and Fixture Filing dated as of September 24, 1996 (the "Mortgage"), which Mortgage was recorded on September 26, 1996, in the office of the Recorder of Lake County, Indiana, as Document No. 96064178; and

WHEREAS, pursuant to the terms of the Mortgage, Mortgagor mortgaged and granted a security interest in all of Mortgagor's estate, right, title and interest in, inter alia, the Leasehold Premises legally described on Exhibit A-1 to the Mortgage and certain License Premises legally described on Exhibit A-2 to the Mortgage; and

WHEREAS, Mortgagor's interest in the Leasehold Premises was created pursuant to that certain Assignment of Ground Lease effective as of September 24, 1996, between Mortgagor, as assignee, and Lakeside Energy Corporation ("Lakeside"), as assignor ("Original Assignment"), which Original Assignment was recorded on September 26, 1996, in the office of the Recorder of Lake County, Indiana, as Document No. 96064177, and which Original Assignment was amended pursuant to that certain First Amendment to Assignment of Ground Lease dated as of May 28, 1998 ("Assignment Amendment"), which Assignment Amendment was recorded on June 3, 1998 in the office of the Recorder of Lake County, Indiana, as Document No. 98041368 (the Original Assignment, as amended by the Assignment Amendment is hereinafter referred to as the "Assignment"), pursuant to which Assignment Mortgagor acquired Lakeside's interests in the leasehold estate in the Leasehold Premises and the License Premises created by that certain Ground Lease (as such term is defined in the Assignment) between USX Corporation - U.S. Steel Group, as ground lessor ("Ground Lessor"), and Lakeside, as ground lessee; and

WHEREAS, Mortgagor and Mortgagee desire to amend the Mortgage to revise the legal description of the Leasehold Premises and the License Premises set forth in the Mortgage to conform to the revised legal description of the Leasehold Premises and the License Premises set forth in the Ground Lease.

NOW THEREFORE, in consideration of their mutual promises, Mortgagor and Mortgagee hereby agree as follows:

1. Defined Terms. All capitalized terms defined in the Mortgage and used in this Amendment shall have the same meanings as so defined in the Mortgage, unless otherwise expressly provided herein. In addition, from and after the date hereof, the term "Mortgage" as used in the Mortgage shall mean and include the Mortgage as amended by this Amendment.

2. New Legal Descriptions. Exhibit A-1 to the Mortgage is hereby deleted in its entirety from such document and Exhibit A-1 attached to this Amendment is substituted in place thereof for all purposes of the Mortgage and this Amendment, as well as all other documents previously executed in conjunction with the Mortgage that refer to the legal description of the Leasehold Premises set forth in Exhibit A-1 to the Mortgage. Exhibit A-2 to the Mortgage is hereby deleted in its entirety from such document and Exhibit A-2 attached to this Amendment is substituted in place thereof for all purposes of the Mortgage and this Amendment, as well as all other documents previously executed in conjunction with the Mortgage that refer to the legal description of the License Premises set forth in Exhibit A-2 to the Mortgage.

3. Reaffirmation and Confirmation of Mortgage. All of the terms, conditions, agreements, obligations and provisions set forth in the Mortgage, as hereby amended, modified and supplemented, shall be and they hereby are reaffirmed, ratified and confirmed in their entirety and incorporated herein by reference as if fully set forth herein.

4. Governing Law. This Amendment shall be governed by the internal laws of the State of Indiana, excluding the conflict of laws rules of the State of Indiana, and all terms and covenants shall be interpreted in accordance therewith.

5. No Further Amendments. Except as otherwise provided herein, in all other respects the Mortgage shall remain unchanged and in full force and effect. For the avoidance of doubt, the parties hereto hereby confirm that under the Mortgage as amended hereby there shall be no recourse with respect to the Mortgagor's obligations against any limited partner of the Mortgagor or against any Affiliate, officer, director, or shareholder of the corporation that is the general partner of the Mortgagor, nor any recourse with respect to the general partner's obligations except in the general partner's corporate capacity, in each case as more fully set forth in Section 55 of the Mortgage (including, without limitation, the last sentence thereof).

6. Executed Counterparts. This Amendment may be executed in one or more counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute only one legal instrument. This Amendment shall become effective when copies hereof (when taken together) shall bear the signatures of both the parties hereto.

7. Recording. Mortgagor, at its expense, will cause an executed original of this Amendment to be recorded in the proper office or offices of Lake County, Indiana.



IN WITNESS WHEREOF, Mortgagor and Mortgagee have caused this Amendment to be executed and delivered as of the day and year first above written.

MORTGAGOR:

DEPOT HILL FUNDING, LIMITED PARTNERSHIP

By: **Depot Hill Capital, Inc., its general partner**

By: Jean M. Tomaselli

Name: Jean M. Tomaselli
Vice President and
Assistant Secretary

Title: _____

MORTGAGEE:

Document is NOT OFFICIAL!

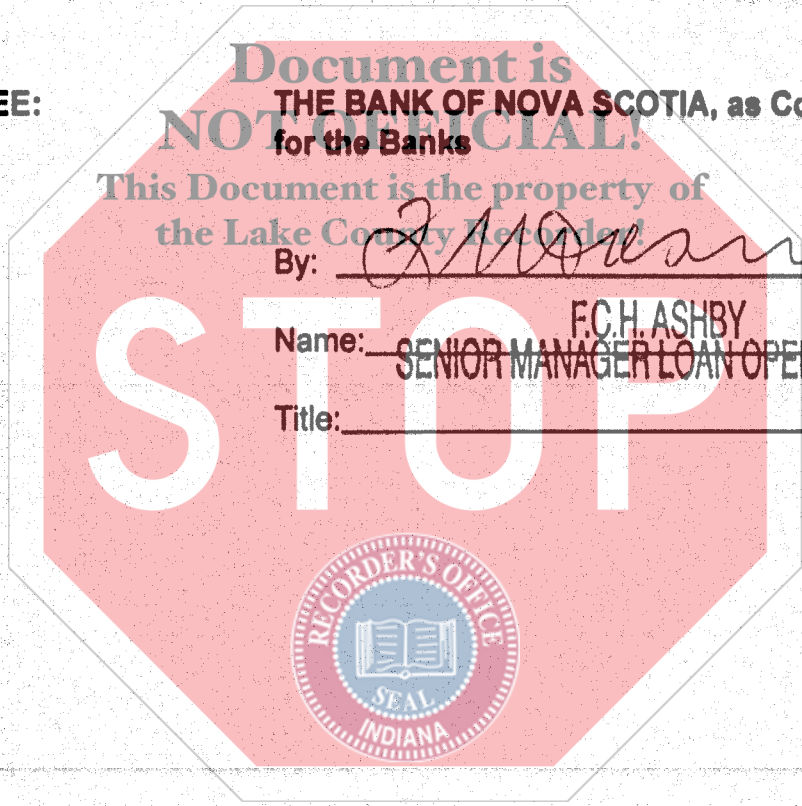
THE BANK OF NOVA SCOTIA, as Collateral Agent for the Banks

This Document is the property of the Lake County Recorder

By: F.C.H. Ashby

Name: F.C.H. ASHBY
SENIOR MANAGER LOAN OPERATIONS

Title: _____

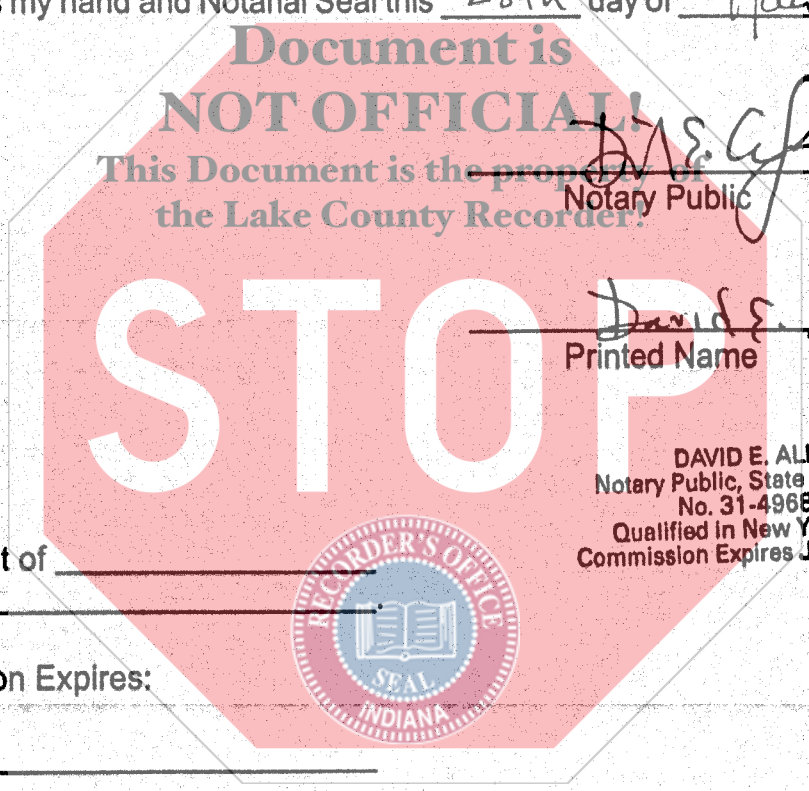
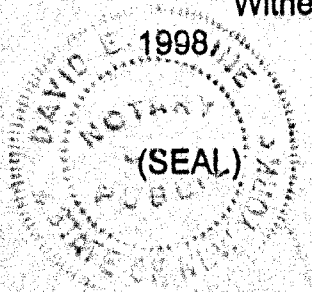


ACKNOWLEDGMENT

STATE OF New York)
)
) SS:
COUNTY OF New York)

Before me, a Notary Public in and for the State of New York, personally appeared Jean M. Tomaselli, the VP and Assistant Secretary of Depot Hill Capital, Inc., a Delaware corporation, said corporation being General Partner of **DEPOT HILL FUNDING, LIMITED PARTNERSHIP**, who, having been first duly sworn, acknowledged the execution of the foregoing instrument on behalf of said corporation, which corporation was acting in its capacity as General Partner of said partnership, and stated that all representations contained therein are true.

Witness my hand and Notarial Seal this 28th day of May



[Signature]
Notary Public

David E. Alpine
Printed Name

DAVID E. ALPINE
Notary Public, State of New York
No. 31-4968413
Qualified in New York County
Commission Expires June 25, 1998

I am a resident of _____
County, _____

My Commission Expires:

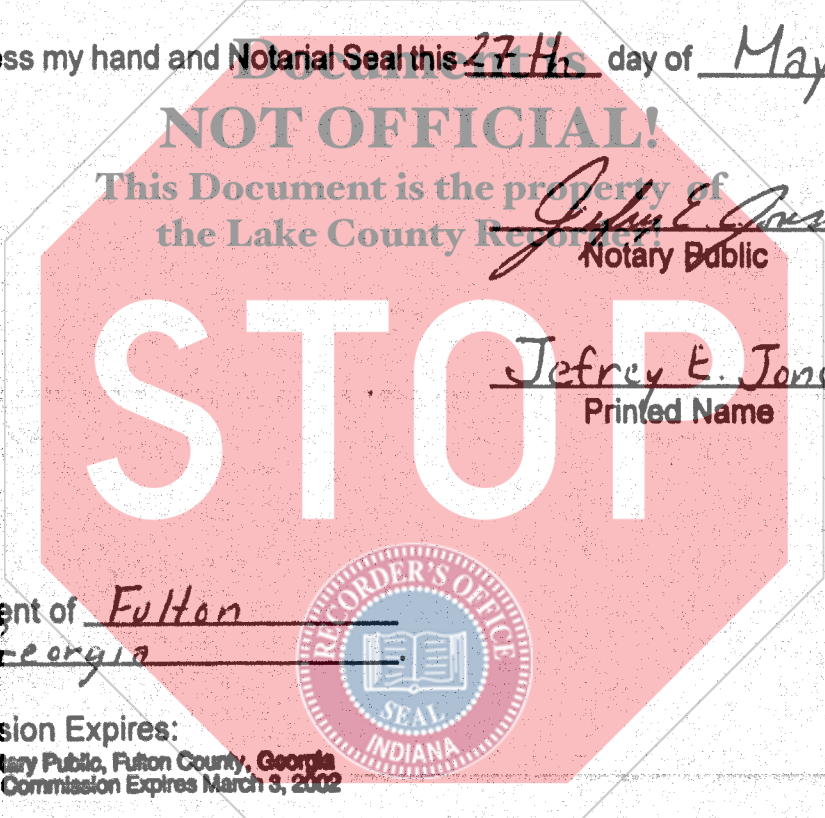
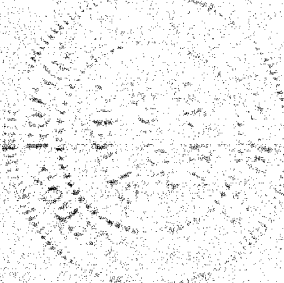
ACKNOWLEDGMENT

STATE OF Georgia)
)
COUNTY OF Fulton) SS:

Before me, a Notary Public in and for the State of Georgia, personally appeared F.C.H. Ashby, the Senior Manager Loan Operations of **THE BANK OF NOVA SCOTIA**, as Collateral Agent, who, having been first duly sworn, acknowledged the execution of the foregoing instrument on behalf of said bank, and stated that all representations contained therein are true.

Witness my hand and Notarial Seal this 27th day of May, 1998.

(SEAL)



Jeffrey E. Jones
Notary Public

Jeffrey E. Jones
Printed Name

I am a resident of Fulton
County, Georgia

My Commission Expires:
Notary Public, Fulton County, Georgia
My Commission Expires March 3, 2002



EXHIBIT A-1

REVISED LEGAL DESCRIPTION OF LEASEHOLD PREMISES

A parcel of land in the Northwest Quarter (NW 1/4) of Section Thirty-Four (34) and the Southwest Quarter (SW 1/4) of Section Twenty-Seven (27), Township Thirty-Seven (37) North, Range Eight (8) West of the Second Principal Meridian, in the City of Gary, Lake County, Indiana, more particularly described as follows:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION THIRTY-FOUR (34); THENCE SOUTH EIGHTY-NINE DEGREES, THIRTY-EIGHT MINUTES, TWENTY-FOUR SECONDS EAST (S 89° 38' 24" E) ALONG THE SOUTH LINE OF SAID SECTION THIRTY-FOUR (34) (BASIS OF BEARINGS), ONE THOUSAND EIGHT HUNDRED NINETY-TWO AND SEVENTY-FIVE HUNDREDTHS FEET (1892.75'); THENCE NORTH ZERO DEGREES, ZERO MINUTES, ZERO SECONDS EAST (N 0° 00' 00" E), FIVE THOUSAND FIFTY-ONE FEET (5051.00') TO THE POINT OF BEGINNING OF THIS PARCEL, SAID POINT BEING THIRTEEN AND FIFTY HUNDREDTHS FEET (13.50') WEST OF THE NORTHWEST CORNER OF THE NO. 4 BOILER HOUSE; THENCE CONTINUING NORTH ZERO DEGREES, ZERO MINUTES, ZERO SECONDS EAST (N 0° 00' 00" E), FOUR HUNDRED SIX FEET (406.00'); THENCE SOUTH NINETY DEGREES, ZERO MINUTES, ZERO SECONDS EAST (S 90° 00' 00" E), ONE HUNDRED EIGHT AND FIFTY HUNDREDTHS FEET (108.50'); THENCE SOUTH ZERO DEGREES, ZERO MINUTES, ZERO SECONDS WEST, (S 0° 00' 00" W); TWO HUNDRED TWENTY-SIX FEET (226.00'); THENCE SOUTH NINETY DEGREES, ZERO MINUTES, ZERO SECONDS EAST (S 90° 00' 00" E), TWENTY-SEVEN FEET (27.00'); THENCE SOUTH ZERO DEGREES, ZERO MINUTES, ZERO SECONDS WEST (S 0° 00' 00" W), FIFTY-FOUR FEET (54.00'); THENCE SOUTH NINETY DEGREES, ZERO MINUTES, ZERO SECONDS WEST (S 90° 00' 00" W), TWENTY-SEVEN FEET (27.00'); THENCE SOUTH ZERO DEGREES, ZERO MINUTES, ZERO SECONDS WEST (S 0° 00' 00" W), ONE HUNDRED TWENTY-SIX FEET (126.00'); THENCE NORTH NINETY DEGREES, ZERO MINUTES, ZERO SECONDS WEST (N 90° 00' 00" W), ONE HUNDRED EIGHT AND FIFTY HUNDREDTHS FEET (108.50') TO THE POINT OF BEGINNING, CONTAINING ONE AND FORTY-FIVE THOUSANDTHS OF AN ACRE, MORE OR LESS (1.045 AC, ±).

EXHIBIT A-2

LICENSE PREMISES LEGAL DESCRIPTIONS

Roadway License Descriptions

A strip of land situated in the West Half of Section 33, the South Half of Section 28, the Southwest Quarter of Section 27 and the Northwest Quarter of Section 34, Township 37 North, Range 8 West of the 2nd Principal Meridian in the City of Gary, Lake County, Indiana, said strip being thirty (30) feet in width, the centerline of which is more particularly described as follows:

Commencing at the Northeast Corner of Section 4, Township 36 North, Range 8 West; thence South $1^{\circ}05'08''$ East. (said bearing based on Indiana State Plane Coordinate System and all subsequent bearings are related thereto), 529.58 feet; thence North $80^{\circ}35'08''$ West, 577.83 feet (this course and the following eight courses are along the Southerly property line of United States Steel Corporation); thence North $0^{\circ}29'08''$ West, 86.07 feet; thence South $89^{\circ}41'37''$ West, 359.88 feet; North $74^{\circ}32'28''$ West, 544.02 feet; thence North $71^{\circ}41'23''$ West, 696.45 feet; thence North $67^{\circ}13'23''$ West, 648.53 feet; thence North $62^{\circ}56'23''$ West, 925.55 feet; thence South $49^{\circ}51'37''$ West, 173.58 feet; thence North $63^{\circ}50'57''$ West, 178.46 feet; thence North $1^{\circ}23'30''$ East, 1798.03 feet along the Westerly property line of United States Steel Corporation; thence North $88^{\circ}36'31''$ West, 228.08 feet to the intersection of the curved Southeasterly property line of United States Steel Corporation with the centerline of the northerly extension of Buchanan Street, said point being the Point of Beginning of this legal description:

- 1) thence North $33^{\circ}12'24''$ West, 197.20 feet along said extension of Buchanan Street;
- 2) thence North $49^{\circ}23'55''$ West, 230.49 feet along said extension of Buchanan Street;
- 3) thence North $61^{\circ}30'51''$ West, 146.77 feet along said extension of Buchanan Street to the entrance of the Truck Scale area;
- 4) thence North $16^{\circ}27'07''$ West, 155.36 feet;
- 5) thence North $33^{\circ}07'43''$ East, 481.23 feet;
- 6) thence North $5^{\circ}42'38''$ East, 331.65 feet to intersect Route 15;
- 7) thence North $6^{\circ}44'05''$ East, 673.65 feet along Route 15;
- 8) thence North $4^{\circ}44'35''$ West, 229.79 feet along Route 15;
- 9) thence North $0^{\circ}12'42''$ East, 1353.01 feet along Route 15;
- 10) thence North $11^{\circ}18'36''$ East, 147.87 feet along Route 15 to the intersection with Route 4;
- 11) thence South $66^{\circ}47'20''$ East, 596.26 feet along Route 4;
- 12) thence South $78^{\circ}44'55''$ East, 384.39 feet along Route 4;
- 13) thence South $88^{\circ}12'09''$ East, 701.35 feet along Route 4;
- 14) thence North $74^{\circ}43'28''$ East, 246.72 feet along Route 4;

- 15) thence North 47°20'14" East, 138.71 feet along Route 4;
- 16) thence South 88°53'16" East, 2730.51 feet along Route 4;
- 17) thence North 81°24'15" East, 260.93 feet along Route 4;
- 18) thence South 82°45'43" East, 881.02 feet along Route 4 to the intersection with Route 5;
- 19) thence North 12°00'22" East, 225.94 feet along Route 5 to the intersection with Route 2;
- 20) thence South 82°49'22" East, 408.20 feet along Route 2 to the intersection with Route 3;
- 21) thence South 5°26'25" East, 168.76 feet along Route 3;
- 22) thence South 21°21'04" East, 118.11 feet along Route 3;
- 23) thence South 1°01'43" West, 724.12 feet along Route 3 and along the West side of the Premises legally described in Exhibit A-1 to the Point of Ending of this roadway license description, said land being 11,532.04 feet long and 30 feet wide with an area of 7.942 Acres, more or less.

And also a Roadway Easement which shall provide access from the Waterway License Description set forth below to the Premises described on Exhibit A-1 as follows:

A strip of land 30 feet wide situated in the North Half of Section 34, and the South Half of Section 27, Township 37 North, Range 8 West of the 2nd Principal Meridian in the City of Gary, Lake County, Indiana, the centerline of which is described as follows:

Commencing at the Northwest Corner of Section 3, Township 36 North, Range 8 West; thence South 88°30'08" East (said bearing based on Indiana State Plane coordinate system and all subsequent bearings are related thereto), 3208.58 feet; thence North 1°10'57" East, 5626.98 feet to the Point of Beginning of legal description;

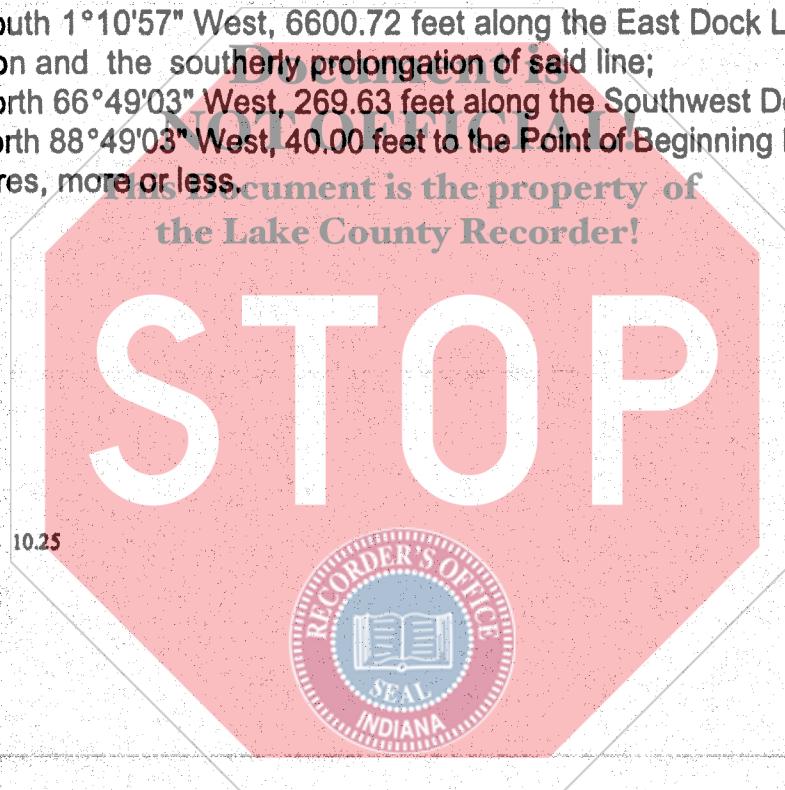
- 1) Thence North 44°27'42" West, 287.22 feet along Route 2;
- 2) Thence North 62°52'24" West, 228.09 feet along Route 2;
- 3) Thence North 70°55'51" West, 257.11 feet along Route 2;
- 4) Thence North 83°17'50" West, 471.22 feet along Route 2 to the Point of Ending of legal description, said point being at the intersection of Route 3 and also on the centerline of the separate Roadway License Description legally described above to the Premises legally described on Exhibit A-1. The land described pursuant to this legal description being 1243.64 feet in length and having an area of 0.857 acres, more or less.

Waterway License

A parcel of land in the East Half of Section 34 and the Southeast Quarter of Section 27, Township 37 North, Range 8 West of the 2nd Principal Meridian in the City of Gary, Lake County, Indiana, more particularly described as follows:

Commencing at the Northwest Corner of Section 3, Township 36 North, Range 8 West; thence South 88°30'08" East (said bearing based on Indiana State Plane Coordinate System and all subsequent bearings are related thereto), 3208.58 feet; thence North 1°10'57" East, 408.00 feet to the Point of Beginning of this legal description;

- 1) Thence North 1°10'57" East, 5258.98 feet along a line parallel with and 40 feet, more or less, West of the West Dock Line of United States Steel Corporation's slip;
- 2) Thence South 88°49'03" East, 40.00 feet to the West Dock Line;
- 3) Thence North 1°10'57" East, 1400.00 feet along the West Dock Line and a prolongation of said line;
- 4) Thence North 66°10'57" East, 1800.00 feet to the open waters of Lake Michigan;
- 5) Thence South 23°49'03" East, 250.00 feet;
- 6) Thence South 66°10'57" West, 1640.73 feet;
- 7) Thence South 1°10'57" West, 6600.72 feet along the East Dock Line, the northerly prolongation and the southerly prolongation of said line;
- 8) Thence North 66°49'03" West, 269.63 feet along the Southwest Dock Line;
- 9) Thence North 88°49'03" West, 40.00 feet to the Point of Beginning having an area of 52.753 Acres, more or less.



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