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STATE OF INDIANA
**LEASEHOLD MORTGAGE, SECURITY AGREEMENT
AND ASSIGNMENT OF LEASES AND RENTS**

2003 060074

BY AND BETWEEN

CHICAGO STEEL LIMITED PARTNERSHIP
700 Chase Street, Suite 100
Gary, Indiana 46404

and

MIDAMERICA BANK, FSB
1823 Centre Point Circle
Naperville, Illinois 60566-7225

Dated as of June 30, 2003

LOCATION OF PREMISES:

Street Address: 700 Chase Street
Gary, Indiana

TICOR TITLE INSURANCE
Crown Point, Indiana

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE MAXIMUM PRINCIPAL INDEBTEDNESS WHICH IS OR UNDER ANY CONTINGENCY MAY BE SECURED BY THIS LEASEHOLD MORTGAGE IS TWO MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$2,950,000.00), TOGETHER WITH (I) TAXES, CHARGES OR ASSESSMENTS WHICH MAY BE IMPOSED BY LAW UPON THE PREMISES, (II) PREMIUMS ON INSURANCE POLICIES COVERING THE PREMISES, AND (III) EXPENSES INCURRED IN UPHOLDING THE LIEN OF THIS LEASEHOLD MORTGAGE, INCLUDING, BUT NOT LIMITED TO, (A) THE EXPENSES OF ANY LITIGATION TO PROSECUTE OR DEFEND THE RIGHTS AND LIEN CREATED BY THIS LEASEHOLD MORTGAGE, (B) ANY AMOUNT, COST OR CHARGE TO WHICH THE MORTGAGEE BECOMES SUBROGATED, UPON PAYMENT, WHETHER UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY, OR UNDER EXPRESS STATUTORY AUTHORITY, AND (C) INTEREST AT THE DEFAULT RATE (OR REGULAR INTEREST RATE) AND PENALTIES PROVIDED FOR HEREIN.

RECORDING REQUESTED BY AND
WHEN RECORDED - RETURN TO:

Michelle Jackson



Thomas H. Ferguson
Kelley Drye and Warren LLP
333 W. Wacker Dr
26th Floor
Chicago, IL 60606

W5-60-1X

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Ticor Title recorded this document as an accommodation. Ticor did not examine the document or the title of the real estate affected.

LEASEHOLD MORTGAGE,
SECURITY AGREEMENT AND ASSIGNMENT
OF LEASE AND RENTS

THIS LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND ASSIGNMENT OF LEASE AND RENTS ("Mortgage") is made and entered into as of June 30, 2003 by and between CHICAGO STEEL LIMITED PARTNERSHIP, an Indiana limited partnership, with offices at 700 Chase Street at 700 Chase Street, Gary, Indiana 46404 ("Mortgagor") and MidAmerica Bank, FSB, with offices at 1823 Centre Point Circle, Naperville, Illinois 60566-7225 ("Mortgagee").

RECITALS

A. Mortgagor is the actual, record and beneficial owner of the tenant's interest in that certain lease made by and between Chase Street Partners, as Landlord and Chicago Steel, Inc., as Tenant, dated November 1, 1991, as amended by agreement dated March, 1994 among Landlord, Tenant, Coldwell Banker, 1st American, as Receiver and First Bank N.S. (collectively, the "Ground Lease").

B. The Ground Lease is a lease of the real property more particularly described in Schedule A attached hereto and by this reference made a part hereof and hereinafter referred to as the "Land" and the improvements created pursuant to the Ground Lease. The Land, improvements constructed or to be constructed thereon (the "Improvements"), fixtures, equipment and personal property located thereon are hereinafter referred to as the "Property".

C. Mortgagor is the successor-in-interest of Chicago Steel, Inc.

D. Pursuant to the terms and provisions of that certain Credit Agreement dated as of the date hereof between Mortgagor and Mortgagee (the "Credit Agreement"), Mortgagee has agreed to extend to Mortgagor loans in the maximum principal amount of TWO MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$2,950,000.00) (the "Loan", as defined in the Credit Agreement, which loan is hereinafter referred to as the "Loan").

E. Mortgagee has advised Mortgagor that, subject to the terms of this Mortgage, the Credit Agreement and the various documents executed in connection herewith and therewith, and based upon the representations, warranties, covenants and undertakings of Mortgagor herein and therein contained, Mortgagee is willing to make the Loan to Mortgagor.

NOW, THEREFORE, in consideration of the mutual agreements herein expressed, and other valuable consideration, the receipt of which is hereby acknowledged, Mortgagor and Mortgagee covenant and agree as follows:

Mortgagor hereby gives, grants, bargains, sells, warrants, aliens, demises, releases, conveys, assigns, transfers, mortgages, hypothecates, deposits, pledges, sets over, grants a security interest in and for the benefit and security of Mortgagee, to Mortgagee and its successors

and assigns, all of Mortgagor's estate, right, title and interest, if any, in, to and under any and all of the following property, rights and interests (collectively, the "Mortgaged Property"):

A. The Ground Lease and the leasehold estate created thereby (and all other interests of Mortgagor presently owned or hereafter acquired in the Land) and all modifications, renewals or extensions of the Ground Lease and all rights of Mortgagor to renew or extend the term of the Ground Lease and all of Mortgagor's right, title and interest in and to the Property.

B. The Chattels (as hereinafter defined) and Mortgagor's leasehold interest in any Chattels leased by Mortgagor, and the products and proceeds thereof.

C. All awards heretofore made or hereafter made for the taking by eminent domain of the whole or any part of the Mortgaged Property, or any estate or easement therein, including any awards for change in grade of streets.

D. All present and future leases and subleases, and any guarantees thereof, rents, issues and profits now or at any time hereafter covering or affecting all or any portion of the Mortgaged Property and all proceeds of, and all privileges and appurtenances belonging or in any way appertaining to, the Mortgaged Property, or any part thereof, and all other property subjected or required to be subjected to the lien and/or security interest of this Mortgage, including, without limitation, all of the income, revenues, earnings, rents, maintenance payments, tolls, issues, awards (including, without limitation, condemnation awards and insurance proceeds), security deposits, products and profits thereof, which income, revenues, earnings, rents, maintenance payments, tolls, issues, awards, security deposits, products and profits are hereby expressly assigned with the right to take and collect the same upon the terms hereinafter set forth; and all the estate, right, title, interest and claims whatsoever, at law and in equity, which Mortgagor now has or may hereafter acquire in and to the aforementioned property and every part thereof, provided that, until the occurrence of an Event of Default (as hereinafter defined), Mortgagor may collect and use such income, revenues, earnings, rents, maintenance payments, tolls, issues, awards, security deposits, products and profits.

E. All insurance policies, contracts, plans and specifications, licenses, permits and bond proceeds, relative to the construction, operation, occupancy and/or use of the Improvements.

F. All contracts and other agreements, now or hereafter entered into for the sale, development, management, operation, leasing, brokerage services and maintenance of the Mortgaged Property or any part thereof.

G. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or liquidated claims, including, without limitation, proceeds of insurance and condemnation awards, damage claims, and all unearned premiums accrued, accruing and to accrue under any or all insurance policies obtained by Mortgagor.

For the Purpose of Securing:

(a) The payment and performance of the indebtedness evidenced by the Notes (as defined in the Credit Agreement).

bearing interest at the rate or rates and payable and maturing as set forth in the Notes, said Note providing for interest on past due principal and interest at the rate provided therein, containing an attorney's fees clause and containing provisions allowing the holder thereof, at its option, to declare the principal and interest thereof to be due and payable at any time after the occurrence of certain defaults and the expiration of any applicable grace or notice periods; including all modifications thereof, and all other promissory notes given in renewal or extension of all or any part thereof; and

(b) The payment and performance of all indebtedness, obligations and liabilities of Mortgagor to Mortgagee arising under this Leasehold Mortgage, the Credit Agreement, the Security Agreement or any other Loan Document (as hereinafter defined); and

(c) The payment of all costs, fees and expenses incurred by Mortgagee in connection with the processing, funding, administration, assignment, repayment and/or collection of the Loan, including, without limitation, Mortgagee's reasonable counsel and/or other consultant fees, (whether incurred before or after the date hereof) all taxes and recording expenses, and all reasonable expenses incurred by Mortgagee in the exercise of its rights hereunder; and

(d) All future advances (whether made as an obligation, made at the option of Mortgagee, made after a reduction to a zero or other balance or otherwise), whether made under one or more of the Notes or otherwise, provided that the total principal amount of such future advances will not exceed the stated principal amounts of the Notes; and

(e) Any and all future modifications, extensions and renewals of all or any part of the indebtedness, obligations and liabilities described or referred to in clauses (a), (b), (c) and (d) preceding.

The term "Liabilities" as used herein, shall mean all of the indebtedness, obligations and liabilities described or referred to in clauses (a), (b), (c) and (d) preceding.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE MAXIMUM PRINCIPAL INDEBTEDNESS WHICH IS OR UNDER ANY CONTINGENCY MAY BE SECURED BY THIS LEASEHOLD MORTGAGE IS TWO MILLION NINE HUNDRED FIFTY THOUSAND DOLLARS (\$2,950,000.00), TOGETHER WITH (I) TAXES, CHARGES OR ASSESSMENTS WHICH MAY BE IMPOSED BY LAW UPON THE PREMISES, (II) PREMIUMS ON INSURANCE POLICIES COVERING THE PREMISES AND (III) EXPENSES INCURRED IN UPHOLDING THE LIEN OF THIS LEASEHOLD MORTGAGE, INCLUDING, BUT NOT LIMITED TO, (A) THE EXPENSES OF ANY LITIGATION TO PROSECUTE OR DEFEND THE RIGHTS AND LIEN CREATED BY THIS LEASEHOLD MORTGAGE, (B) ANY AMOUNT, COST OR CHARGE TO WHICH THE MORTGAGEE BECOMES SUBROGATED, UPON PAYMENT, WHETHER UNDER RECOGNIZED PRINCIPLES OF LAW OR EQUITY, OR UNDER EXPRESS STATUTORY

AUTHORITY, AND (C) INTEREST AT THE DEFAULT RATE (OR REGULAR INTEREST RATE) AND PENALTIES PROVIDED FOR HEREIN.

To protect the security of this Leasehold Mortgage, Mortgagor hereby covenants and agrees as follows:

ARTICLE I
PARTICULAR COVENANTS, WARRANTIES
AND REPRESENTATIONS OF MORTGAGOR

Mortgagor covenants, warrants, represents and agrees as follows:

Section 1.01 (a) The Ground Lease is in full force and effect and has not been modified or amended as of the date hereof and there are not defaults presently existing thereunder by any party thereto;

(b) Mortgagor is the actual, record and beneficial owner and holder of the leasehold estate created by the Ground Lease and Mortgagor has good and marketable interest in such leasehold, subject only to Permitted Encumbrances (as hereinafter defined) or matters approved by Mortgagee in writing; that Mortgagor owns the Chattels free and clear of liens and claims and Mortgagor is the owner of all of the Mortgaged Property, subject only to the Permitted Encumbrances.

(c) Mortgagor has full power and lawful authority to mortgage and grant a security interest in the Mortgaged Property in the amount, manner and form herein done or intended hereafter to be done and the obligations of Mortgagor hereunder are enforceable against Mortgagor by Mortgagee, and such obligations shall be without deductions for set-off or counterclaim of any kind. Subject to the Permitted Encumbrances, Mortgagor will preserve title to the Property and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomsoever.

Section 1.02 Mortgagor will, at its sole expense, do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged and delivered all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Mortgagee shall from time to time reasonably require, for the better assuring, conveying, assigning, transferring and confirming unto Mortgagee the property and rights hereby conveyed, mortgaged or assigned or intended now or hereafter so to be, or which Mortgagor may be or may hereafter become bound to convey, mortgage or assign to Mortgagee, or for carrying out the intention or facilitating the performance of the terms of this Leasehold Mortgage, and for filing, registering or recording this Leasehold Mortgage and, on demand, will execute and deliver or cause to be executed and delivered, and hereby authorizes Mortgagee to execute in the name of Mortgagor to the extent it may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, and renewals thereof, to evidence more effectively the lien hereof upon the property securing the payment of the sums due hereunder and under the Credit Agreement.

Section 1.03 (a) Mortgagor forthwith upon the execution and delivery of this Leasehold Mortgage, and thereafter from time to time, will, at Mortgagor's expense, cause this Leasehold Mortgage and each instrument of further assurance 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 hereof upon, and the interest of Mortgagee in, the Mortgaged Property.

(b) Mortgagor will pay or cause to be paid all taxes, filing, registration and recording fees, and all expenses, including but not limited to all federal, state, county and municipal stamp taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing and recordation of this Leasehold Mortgage, any supplement hereto, any security instrument with respect to the Chattels or any instrument of further assurance, other than income, franchise or other similar taxes imposed upon the Mortgagee.

Section 1.04 Mortgagor will punctually pay the principal and interest and all other sums to become due to Mortgagee in respect of the Notes and under each other Loan Document at the time and place and in the manner specified therein, according to the intent and meaning thereof without deduction for set-off or counterclaim of any kind. Mortgagor agrees to pay Mortgagee its out-of-pocket expenses, including reasonable attorneys' fees, in connection with preparation and negotiation of this Leasehold Mortgage and all other Loan Documents, making the Loan, enforcing this Leasehold Mortgage and all other Loan Documents, release of any security, and preparation and negotiation of any amendments, consents and waivers relating to any Loan Documents.

Section 1.05 All right, title and interest of Mortgagor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, the Mortgaged Property, hereafter acquired by or released to Mortgagor or constructed, assembled or placed by Mortgagor on the Property, and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by Mortgagor, shall become subject to this Leasehold Mortgage and the lien created hereby as fully and completely, and with the same effect, as though now owned by Mortgagor and specifically described in the granting clauses hereof, but at any and all times Mortgagor will execute and deliver to Mortgagee any and all such further assurances, mortgages, conveyances or terms of this Leasehold Mortgage, for the purpose of expressing and specifically subjecting the same to the lien of this Leasehold Mortgage.

Section 1.06 Mortgagor will, from time to time, prior to the date on which interest or any penalty shall attach, pay and discharge or cause to be paid and discharged, in installment payments if so permitted under applicable law, all taxes of every kind and nature levied against the Mortgaged Property or upon the lien or estate of this Leasehold Mortgage thereon (except any income or franchise tax imposed on Mortgagee), all general and special assessments, and all other charges which are or may be a lien on the Mortgaged Property or any part thereof. Mortgagor will, prior to the date on which interest or any penalty shall attach, deliver to Mortgagee evidence of the payment of all such taxes, assessments, levies, fees, rents

and other public charges imposed upon or assessed against it or the Mortgaged Property or the revenues, rents, issues, income or profits thereof and promptly after receipt of the duly received bill, Mortgagor shall deliver to Mortgagee a copy of said duly received bill.

Section 1.07 In the event of the passage after the date of this Leasehold Mortgage of any law of the State of Indiana (a) changing in any way the laws for the taxation of mortgages or debts secured by mortgages or deeds of trust for state or local purposes or the manner of collection of any such taxes and (b) imposing a tax, either directly or indirectly, on this Leasehold Mortgage or the Notes (the "New Taxes"), Mortgagor shall, prior to the date on which interest or any penalty shall attach, pay or provide for payment of such New Taxes.

Section 1.08 (a) Mortgagor agrees to at all times provide, maintain and keep in force or to cause to be provided, maintained and kept in force insurance in accordance with Section 10.3 of the Credit Agreement.

(b) If the insurance, or any part thereof, shall expire, or be withdrawn, or become void for any reason, or if for any reason whatever the insurance shall be unsatisfactory to Mortgagee in its reasonable judgment, Mortgagor shall promptly place new insurance on the Property reasonably satisfactory to Mortgagee. In the event that Mortgagor fails to provide, maintain, keep in force or deliver and furnish to Mortgagee the policies (or certificates) of insurance required under Section 10.3 of the Credit Agreement, Mortgagee may procure such insurance for such risks covering Mortgagor's and Mortgagee's interests, and Mortgagor will pay all premiums thereon promptly upon demand by Mortgagee, together with interest thereon at the rate set forth in Section 4 of the Credit Agreement.

(c) After the happening of any casualty to the Mortgaged Property or any part thereof, Mortgagor shall give prompt written notice thereof to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor.

(d) Nothing herein contained shall be deemed to excuse Mortgagor from repairing or maintaining the Property or restoring all damage or destruction to the Mortgaged Property as such repairs and restoration are required under Section 1.11 below, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount. The failure by Mortgagor to so repair and maintain the Property and restore all damage and destruction to the Mortgaged Property shall constitute an Event of Default under the Credit Agreement and an Event of Default (as hereinafter defined) hereunder.

(e) Receipt by Mortgagee and application in reduction of indebtedness pursuant to the terms hereof of any insurance proceeds less than the full amount of the then outstanding Liabilities shall not defer, alter or modify Mortgagor's obligation to continue to pay the regular installments of principal, interest and other charges specified in the Credit Agreement, the Notes, and herein.

(f) All proceeds of insurance shall be payable directly to Mortgagor and Mortgagee, as their interests may appear and shall be delivered to Mortgagee to be applied as hereinafter provided. In the event said proceeds are not applied to restore all

damage or destruction to the Mortgaged Property, said proceeds shall be applied by Mortgagee to the next succeeding payment of principal and interest specified in the Credit Agreement. If there are any excess proceeds after such payment, Mortgagee shall pay such excess to the Mortgagor.

(g) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under Section 10.3 of the Credit Agreement, unless Mortgagee has approved. The insurance policy, including, without limitation, the naming thereon of Mortgagee as a named insured with loss payable to Mortgagee under a standard mortgagee endorsement and the inclusion of a provision therein obligating said insurance company to provide Mortgagee with notice thirty (30) days prior to cancellation, lapse or amendment of any policy. Mortgagor shall promptly notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

Section 1.09 (a) In the event that the Mortgaged Property or any part thereof or interest therein, be taken or damaged by eminent domain, alteration of the grade of any street, or other injury to or decrease in the value of the Mortgaged Property, by reason of any public or quasi-public improvement or condemnation proceeding, or in any other similar manner ("Condemnation"), or should Mortgagor receive any notice or other information regarding such Condemnation or a proposed Condemnation, Mortgagor shall give prompt written notice thereof to Mortgagee.

(b) In the event of a Condemnation as to all of the Mortgaged Property (hereinafter called a "Total Condemnation") or a part of the Mortgaged Property (hereinafter called a "Partial Condemnation"), subject to the rights of the lessor under the Ground Lease, Mortgagee shall be entitled to receive all compensation, awards and other payments or relief payable as a result of any such Total or Partial Condemnation, and shall be entitled to appear in and join in the prosecution of any action or proceedings with respect to any such Total or Partial Condemnation and the settlement or compromise of any claim. Mortgagee shall be entitled at its option, but not exclusively, to commence, appear in and prosecute any action or proceeding with respect to any Total or Partial Condemnation either in its own name or in the name of Mortgagor, for which Mortgagee is hereby appointed as attorney-in-fact for Mortgagor, which appointment, being for security and coupled with an interest, is irrevocable, and Mortgagee shall be entitled to make any compromise or settlement in connection with any such Total or Partial Condemnation without the participation of Mortgagor. All such compensation, awards, damages, rights of action and proceeds awarded to Mortgagor (the "Proceeds") are hereby assigned to Mortgagee and Mortgagor agrees to execute such further assignments of the Proceeds as Mortgagee may require.

(c) Nothing herein contained shall be deemed to excuse Mortgagor from repairing or maintaining the Property as provided in this Leasehold Mortgage or restoring all damage or destruction to the Mortgaged Property, regardless of whether or not there are proceeds available or whether any such proceeds are sufficient in amount and the application or release by Mortgagee of any Proceeds shall not cure or waive any default or notice of default under this Leasehold Mortgage or invalidate any act done pursuant to such notice. The failure by Mortgagor to so repair and maintain the Property and restore all damage and destruction to the

Mortgaged Property shall constitute an Event of Default under the Credit Agreement and an Event of Default hereunder.

(d) Receipt by Mortgagee and application in reduction of indebtedness of any Proceeds less than the full amount of the then outstanding Liabilities shall not defer, alter or modify Mortgagor's obligation to continue to pay, subject to such reduction, the regular installments of principal, interest and other charges specified in the Credit Agreement, the Notes and herein.

(e) If prior to the receipt of the Proceeds by Mortgagee the Property shall have been sold on foreclosure of this Leasehold Mortgage, Mortgagee shall, nevertheless, have the right to receive the Proceeds and to retain, for its own account, (i) an amount equal to the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with collection of the Proceeds and not repaid by Mortgagor and (ii) the full amount of all such Proceeds, if Mortgagee is the successful purchaser at the foreclosure sale.

(f) Mortgagee agrees that all Proceeds of a Partial Condemnation received by it may, at Mortgagee's option, be advanced by Mortgagee to Mortgagor to be applied to restoring any damage and destruction to the Mortgaged Property. The Proceeds of a Total Condemnation shall be applied by Mortgagee to the repayment of the Liabilities in such order and in such amount as Mortgagee may determine. In addition, Mortgagor shall be liable for any prepayment charges in accordance with the provisions of the Credit Agreement. If there are any excess Proceeds after repayment of the Liabilities, Mortgagee shall pay such excess to the Mortgagor.

Section 1.10 (a) Mortgagor will permit any employees and other representatives of Mortgagee to visit and inspect the Property, to reasonably examine books of account, records, reports and other papers applicable to the Property. Mortgagor will permit Mortgagee, its representatives, and/or its architect or engineer to enter upon the Property and inspect the Improvements thereon and permit examination of all plans and specifications therefor.

(b) Mortgagor, within fifteen (15) days after request by Mortgagee will furnish a written statement, duly acknowledged, setting forth the amount due on this Leasehold Mortgage, the terms of payment and maturity date of the Notes, the date to which principal and interest have been paid, whether any offsets, defenses or counterclaims exist against the Obligations and, if any are alleged to exist, a detailed description of the nature thereof.

Section 1.11 Mortgagor will not threaten, commit, permit or suffer any waste to occur on or to the Property or any part thereof or structurally alter any of the buildings or other Improvements constituting a part of the Property. Mortgagor will, at all times, maintain or cause to be maintained the Property in good repair and safe condition.

Section 1.12 Mortgagor shall not merge with or into, or consolidate with or into, or sell, convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of

transactions) all or substantially all of the Property to, any Person, except as permitted by the Credit Agreement.

Section 1.13 Mortgagor shall indemnify, save harmless, and defend Mortgagee from and against all losses, liabilities, obligations, claims, damages, penalties, causes of action, and costs (including attorneys' fees) imposed upon, incurred by, or asserted against Mortgagee, except to the extent resulting from Mortgagee's gross negligence or wilful misconduct, by reason of:

(a) the ownership of an interest in the Notes, this Leasehold Mortgage, or any other Loan Documents, or the exercise and/or enforcement of any rights or remedies of Mortgagee under the Notes, this Leasehold Mortgage, any other Loan Documents, or otherwise in law or equity;

(b) Mortgagor's ownership, possession or operation of the Property, including, without limitation, any accident, injury to, or death of persons or loss of or damage to the use of property occurring on or about the Property or any part thereof or any adjoining sidewalks, curbs, vaults, and vault space, streets, alleys, or ways, or any use, non-use, or condition of the Property or any part thereof or of any adjoining sidewalks, curbs, vaults and vault space, streets, alleys, or ways;

(c) any failure on the part of Mortgagor to perform or comply with any of the provisions of this Leasehold Mortgage;

(d) the performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof;

(e) any negligence or tortious act on the part of Mortgagor or any of its agents, contractors, employees, lessees, licensees, or invitees;

(f) any work in connection with any alterations, changes, or demolition of, or additions to the Property; or

(g) if a representation or warranty of Mortgagor shall be untrue or breached, any condition existing or event occurring that would not have existed or occurred had all Mortgagor's representations and warranties been true and not been breached.

Section 1.14 If the interest of Mortgagee in the Mortgaged Property or any part thereof or the lien or security interest of this Leasehold Mortgage thereon shall be attacked, directly or indirectly, or if legal proceedings shall be instituted against Mortgagor or Mortgagee with respect thereto, Mortgagor, upon its learning thereof, will promptly give written notice thereof to Mortgagee and will, at its own cost and expense, diligently cure any defect that may be developed or claimed and will take all necessary and proper steps for the protection and defense thereof and will, after consultation and reasonable approval by Mortgagee, take such action as is appropriate to the defense of any such legal proceedings, including, but not limited to, the

employment of counsel, the prosecution and defense of litigation, and if approved by Mortgagee, the compromise or release and discharge of any adverse claims made.

Section 1.15 In the event the Mortgaged Property or any part thereof does not comply with any federal, state and/or local environmental regulations (collectively, "Environmental Laws") and Mortgagor shall have failed to commence and prosecute to completion any required remediation procedures required by such Environmental Laws within the time periods prescribed under the Credit Agreement (as hereinafter defined), Mortgagee may, at its option, pay any amount necessary to bring the Mortgaged Property or any part thereof into compliance with such regulations and Mortgagor shall pay to Mortgagee on demand any amount so paid by Mortgagee, together with interest at the rate set forth in the Credit Agreement.

Section 1.16 Mortgagor agrees that it will receive the advances secured by this Mortgage and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvement, if any, and will apply the same first to the payment of such costs before using any part of the total of the same for any other purpose. Mortgagor will indemnify and hold Mortgagee harmless against any loss or liability, reasonable cost or expense, including, without limitation, any judgments, reasonable attorneys' fees, costs of appeal, bonds and printing costs, arising out of or relating to any proceeding instituted by any claimant alleging a violation by Mortgagor of any applicable lien law.

Section 1.17 Mortgagor agrees that if it fails to perform any act or covenant which is required to be performed hereunder or under any Loan Document or to pay any money which is required to be paid hereunder, Mortgagee may, but shall not be obligated to, perform or cause to be performed such act or covenant and pay such money and any reasonable expenses thereby incurred by Mortgagee, and if Mortgagee advances any sums in accordance with the provisions hereof or incurs any expenses in connection with this Leasehold Mortgage or any Loan Document, including, but not limited to, any sums incurred by Mortgagee by virtue of the enforcement by Mortgagee of its rights hereunder or under any Loan Document, then any money or sums so paid shall become immediately due and payable within ten days after demand as a demand obligation, secured by this Leasehold Mortgage, owing by Mortgagor and shall bear interest at the rate set forth in Section 4 of the Credit Agreement from the date of making such payment until paid, and Mortgagee, after making such payment, shall be subrogated to all of the rights of the person receiving such payment.

Section 1.18 Mortgagor, as further security for the payment of said indebtedness and in addition to all the rights and remedies otherwise available to Mortgagee under the Credit Agreement and this Leasehold Mortgage, grants to Mortgagee a security interest, under the Uniform Commercial Code as in effect in the State of Indiana, in and to all Chattels of every kind now or hereafter attached to or used solely in connection with the Property, and all proceeds thereof. Upon the occurrence of an Event of Default, Mortgagee shall have, in addition to all the other rights and remedies allowed by law, the rights and remedies of a secured party under the Uniform Commercial Code as in effect at that time in the State of Indiana. Mortgagor further agrees that the security interest created hereby also secures all reasonable expenses of Mortgagee (including reasonable expenses for legal services, and cost of any insurance, and payment of taxes or other charges) incurred in or incidental to, the custody, care, sale or collection of, or

realization upon, any of the Chattels encumbered hereby or in any way relating to the enforcement or protection of the rights of Mortgagee hereunder.

Section 1.19 All covenants and conditions contained in this Leasehold Mortgage shall run with the leasehold estate and the fee estate (only to the extent Mortgagee acquires the fee estate) until this Leasehold Mortgage shall be released of record.

Section 1.20 Mortgageor will comply with the terms and provisions of the Ground Lease, will perform its obligations thereunder and will promptly cure any default by it under any of the provisions thereof. Mortgageor hereby assigns and transfers to Mortgagee and grants and creates a security interest in favor of Mortgagee in and to all of Mortgageor's right, title and interest in and to any and all consideration, in whatever form delivered, for the sale, transfer or conveyance of Mortgageor's interest in the Ground Lease, it being expressly understood, however, that any such sale, transfer or conveyance shall not be permitted without the prior written consent of Mortgagee.

ARTICLE II
EVENTS OF DEFAULT AND REMEDIES

Section 2.01 Any one or more of the following events shall be "Events of Default" hereunder (which shall include by definition the expiration of any notice and/or grace period with respect thereto), whether the same shall occur and be continuing for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by operation of Laws or otherwise):

(a) Mortgageor shall fail to pay principal, interest, fees or other amounts payable with respect to the Liabilities within three (3) days after Mortgageor receives notice from Mortgagee that such payment is overdue;

(b) Mortgageor shall default in the performance or observance of any agreement, term, covenant or condition contained herein, other than any default described in the other paragraphs of this Section 2.01, which default shall continue for more than 10 days after Mortgageor obtains knowledge thereof, unless such default is capable of being cured but cannot be cured within such 10-day period and Mortgageor is diligently proceeding, to the satisfaction of Mortgagee, to cure such default;

(c) Any easement (other than any Permitted Encumbrance) over, across, under or otherwise affecting the Mortgaged Property or any portion thereof shall be granted or released without the prior written consent of Mortgagee, which consent shall not be unreasonably withheld or delayed;

(d) Mortgageor shall fail to maintain insurance in accordance with the terms of Section 10.3 of the Credit Agreement;

(e) Mortgagor shall fail to repair and maintain the Mortgaged Property or repair or restore all damage to the Mortgaged Property in accordance with the terms, covenants and provisions of this Leasehold Mortgage;

(f) A default by Mortgagor under the Ground Lease which shall continue beyond any applicable notice or grace period, or if the Ground Lease shall be modified or amended (in a material way), terminated (as a result of a default on the part of Mortgagor thereunder), assigned, pledged, mortgaged or further encumbered without the prior written consent of Mortgagee, which may be granted or withheld in its sole discretion; or

(g) Any Event of Default as defined in the Credit Agreement.

Section 2.02 Upon the occurrence of any such Event of Default, Mortgagee personally, or by its agents or attorneys, may enter into and upon all or any part of the Property, and each and every part thereof, and having and holding the same, may use, operate, manage and control the Property or any part thereof and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers; and upon such entry, Mortgagee, at the expense of Mortgagor, may, at Mortgagee's sole option, insure the same; and likewise, from time to time, at the expense of Mortgagor, Mortgagee may make all necessary or proper repairs, renewals and replacements and such useful alterations, additions, betterments and improvements thereto and thereon as to Mortgagee may seem advisable; and in every such case Mortgagee shall have the right to manage and operate the Mortgaged Property and to carry on the business thereof and exercise all rights and powers of Mortgagor with respect thereto either in the name of Mortgagor or otherwise as it shall deem best; and after deducting the expenses paid for conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements necessary to operate the Mortgaged Property for its intended purpose and amounts paid for taxes, assessments, insurance and prior or other proper charges upon the Mortgaged Property or any part thereof, as well as reasonable out of pocket compensation for the services of all attorneys, consultants, agents, clerks, servants and other parties employed by Mortgagee, Mortgagee shall apply the monies arising from such operation to the Liabilities in such manner and at such times as Mortgagee shall determine in its sole discretion, when and as the same shall become payable and/or to the payment of any other sums required to be paid by Mortgagor under this Leasehold Mortgage.

Section 2.03 Upon the occurrence of any such Event of Default, Mortgagee may, with or without entry, personally or by its agents or attorneys, insofar as applicable:

(a) Sell the Mortgaged Property or any part thereof pursuant to the procedures provided by law at one or more sales as an entity or in parcels, and at such time and place upon such terms and after such notice thereof as may be required or permitted by law; and/or

(b) Institute an action of judicial foreclosure on this Leasehold Mortgage or institute other proceedings according to law for the foreclosure hereof, and may prosecute the same to judgment, execution and sale for the collection of the Liabilities, and all interest with respect thereto, together with all taxes and insurance premiums advanced by

Mortgagee and other sums payable by Mortgagor hereunder, and all fees, costs and expenses of such proceedings, including attorneys' fees and expenses; and/or

(c) Take such steps to protect and enforce its rights whether by action, suit or proceeding in equity or at law for the specific performance of any covenant, condition or agreement in the Loan Documents or in and of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy or otherwise as Mortgagee shall elect; and/or

(d) Exercise in respect of the Mortgaged Property consisting of personal property or fixtures, or both, all of the rights available to a secured party upon default under the applicable provisions of the Uniform Commercial Code in effect in the State of Indiana.

Section 2.04 (a) Mortgagee may adjourn from time to time any sale by it to be made under or by virtue of this Leasehold Mortgage by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, Mortgagee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(b) Upon the completion of any sale or sales made by Mortgagee under or by virtue of this Section 2.04, Mortgagor or an officer of any court empowered to do so shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold. Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's true and lawful attorney in fact, coupled with an interest, in Mortgagor's name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Mortgaged Property and rights so sold. For that purpose, Mortgagee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power. Mortgagor hereby ratifies and confirms all that Mortgagor's said attorney or such substitute(s) shall lawfully do by virtue hereof. Nevertheless, Mortgagor, if so requested by Mortgagee or any purchaser, shall ratify and confirm any such sale or sales by executing and delivering to Mortgagee or to such purchaser all such instruments as may be designated in such request, provided same are non-recourse to Mortgagor consistent with the terms of this Leasehold Mortgage. Any such sale or sales made under or by virtue of this Section 2.04, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Mortgagor in and to the properties, interests and rights so sold, and shall be a perpetual bar both at law and in equity against Mortgagor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Mortgagor.

(c) Upon any sale, whether under the power of sale hereby given or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, except as required by law, it shall not be necessary for Mortgagee or any public officer acting

under execution or order of court to have present or constructive possession of any of the Mortgaged Property.

(d) The recitals contained in any conveyance made to any purchaser at any sale made pursuant hereto or under applicable law shall be conclusive evidence of the matters therein stated, and all prerequisites to such sale shall be presumed to have been satisfied and performed.

(e) The receipt by Mortgagee of the purchase money paid at any such sale, or the receipt by any other person authorized to receive the same, shall be sufficient discharge therefor to any purchaser of the property or any part thereof, sold as aforesaid, and no such purchaser, or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money, or any part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

(f) In case the liens or security interests hereunder shall be foreclosed by sale or by other judicial or non-judicial action, the purchaser at any such sale shall receive, as an incident to his ownership, the right to immediate possession of the property purchased, and if Mortgagor or Mortgagor's successors shall hold possession of said property, or any part thereof, subsequent to foreclosure, Mortgagor or Mortgagor's successors shall be considered as tenants at sufferance of the purchaser at foreclosure sale, and anyone occupying the property after demand made for possession thereof shall be guilty of forcible detainer and shall be subject to eviction and removal, forcible or otherwise, with or without process of law, and all damages by reason thereof are hereby expressly waived to the extent permitted by law.

(g) Should any Event of Default occur hereunder, any reasonable expenses incurred by Mortgagee in prosecuting, resolving, or settling the claim of Mortgagor shall become an additional "Liability" of the Mortgagor hereunder.

(h) In the event a foreclosure hereunder shall be commenced by Mortgagee, Mortgagee may at any time before the sale abandon the suit, and may then institute a suit for the acceleration of the Loan and for the foreclosure of the liens and security interest hereof. If Mortgagee should institute a suit for the acceleration of the Loan and for a foreclosure of the liens and security interest hereof, it may at any time before the entry of a final judgment in said suit dismiss the same and proceed to sell the Mortgaged Property, or any part thereof, in accordance with the provisions of this Leasehold Mortgage.

(i) The purchase money proceeds or avails of any sale made under or by virtue of this Article II, together with any other sums which then may be held by Mortgagee under this Leasehold Mortgage, whether under the provisions of this Article II or otherwise, shall be applied in accordance with the laws of the State of Indiana, and to the extent not inconsistent, first to the payment of the reasonable costs and expenses of such sale, including reasonable compensation to Mortgagee, its agents and counsel, second to the payment of the amounts due and owing under the Credit Agreement, with interest at the rate or rates set forth in the Credit Agreement, third to the payment of any other sums required to be paid by Mortgagor

pursuant to any provision of this Leasehold Mortgage, the Credit Agreement or any other Loan Document, all with interest at the rate or rates set forth in the Credit Agreement and fourth to the payment of the surplus, if any, to whomsoever may be lawfully entitled to receive same, subject to applicable law.

(j) Upon any sale made under or by virtue of this Article II, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee may bid for and acquire the Mortgaged Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the indebtedness of Mortgagor secured by this Leasehold Mortgage the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which are required to be paid under clause first under paragraph (i).

Section 2.05 (a) Upon the occurrence of any Event of Default, and immediately upon the commencement of any action, suit or other legal proceedings by Mortgagee to obtain judgment for the principal of, or interest on, the Notes and other sums required to be paid by Mortgagor pursuant to any Loan Document, or of any nature in aid of the enforcement of the Notes, the Credit Agreement or this Leasehold Mortgage, Mortgagor consents to the appointment of a receiver or receivers of the Mortgaged Property or any part thereof and of all the earnings, revenues, rents, maintenance payments, issues, profits, and income thereof in accordance with Section 2.09 hereof.

(b) Mortgagee shall be entitled to recover judgment as aforesaid either before or after or during the pendency of any proceedings for the enforcement of the provisions of this Leasehold Mortgage; and the right of Mortgagee to recover such judgment shall not be affected by any entry or sale hereunder, or by the exercise of any other right for the enforcement of the provisions of this Leasehold Mortgage, or the foreclosure of the lien hereof; and in the event of a sale of the Mortgaged Property or any part thereof and of the application of the proceeds of sale, as provided in this Leasehold Mortgage, to the payment of the indebtedness hereby secured, Mortgagee shall be entitled to enforce payment of, and to receive all amounts then remaining due and unpaid upon, the Notes and to enforce payment of all other charges, payments and costs due under the Credit Agreement and this Leasehold Mortgage, and shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest thereon at the rate set forth in the Credit Agreement. In case of proceedings against Mortgagor in insolvency or bankruptcy or any proceedings for its reorganization or involving the liquidation of its assets, then Mortgagee shall be entitled to prove the whole amount of principal and interest due upon the Notes to the full amount thereof, and all other payments, charges and costs due under the Credit Agreement and this Leasehold Mortgage, without deducting therefrom any proceeds obtained from the sale of the whole or any part of the Mortgaged Property.

Section 2.06 No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy or remedies which Mortgagee may be entitled to exercise against Mortgagor and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission of Mortgagee to exercise any right or power accruing upon any

Event of Default shall impair any such right or power, or shall be construed to be a waiver of any such Event of Default or any acquiescence therein, and every power and remedy given in this Leasehold Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. The resort to any remedy provided hereunder, or provided in any other Loan Document or provided by law or equity shall not prevent the concurrent or subsequent employment of any other remedy against Mortgagor hereunder or under any other Loan Document. Nothing in this Leasehold Mortgage or in the Notes shall affect the obligation of Mortgagor to pay the principal of, and interest on, the Notes in the manner and at the time and place therein expressed.

Section 2.07 Mortgagor will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Leasehold Mortgage, or claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction, or after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part thereof; and Mortgagor hereby expressly waives all benefit or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Mortgagor for itself and all who may claim under it, waive, to the extent that they lawfully may, all right to have the Mortgaged Property or any part thereof marshaled upon any foreclosure hereof.

Section 2.08 If Mortgagor actually occupies space at the Property, Mortgagor agrees to pay the fair and reasonable rental value for the use and occupancy of the Property or any portion thereof which is in its possession for the period from and including the date of any foreclosure sale (be it pursuant to a judicial sale or non-judicial sale) to and including the date it shall quit the Property, and, upon default of any such payment will vacate and surrender possession of the Property to Mortgagee or to a receiver, if any, and in default thereof may be evicted by any summary action or proceeding for the recovery of possession of the Property for non-payment of rent, however designated. Because the fair and reasonable rental value of the Property may be difficult or impossible to determine, Mortgagor and Mortgagee hereby agree that the fair and reasonable rental value shall in no event be less than the amount of debt service on the Loans. Any payments received by Mortgagee shall be applied in accordance with this Leasehold Mortgage.

Section 2.09 Upon application of Mortgagee to any court of competent jurisdiction, if an Event of Default shall have occurred, to the extent permitted by law, a receiver may be appointed to take possession of and to operate, maintain, develop and manage the Mortgaged Property or any part thereof. In every case when a receiver of the whole or any part of the Mortgaged Property shall be appointed under this Section 2.09 or otherwise, the net income and profits of the Mortgaged Property shall, subject to the order of any court of competent

jurisdiction, be paid over to, and shall be received by, Mortgagee to be applied as provided in Section 2.04 hereof.

Section 2.10 Mortgagee may resort to any security given by this Leasehold Mortgage or to any other security now existing or hereafter secured hereby, in whole or in part, and in such portions and in such order as may seem best to Mortgagee in its sole discretion, and any such action shall not in any way be considered as a waiver of any of the rights, benefits, liens or security interests created by this Leasehold Mortgage.

ARTICLE III DEFINITIONS

Section 3.01 Unless the context otherwise specifies or requires, the following terms shall have the meanings herein specified, such definitives to be applicable equal to the singular and plural forms of such terms.

"Chattels" means the following which are owned by Mortgagor and used in connection with the Property: all furniture, furnishings, partitions, screens, awnings, venetian blinds, window shades, draperies, carpeting, pipes, ducts, conduits, dynamos, motors, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, elevators, escalators, vacuum cleaning systems, computer systems and software, sprinkler systems, fire prevention and extinguishing apparatus, refrigerating, air conditioning, heating, dishwashing, plumbing, ventilating, gas, steam, electrical and lighting fittings and fixtures, licenses or permits of any kind, and operating supplies as may from time to time be owned and used by Mortgagor in connection with the Property, construction supplies and materials, architectural renderings and models, plans and specifications, bar equipment, dictating equipment, private telephone systems, medical equipment, material handling equipment, keys, chairs, tables, stools, insulations, drapery and curtain rods, brackets, electrical signs, bulbs, bells, floor cleaning, waxing and polishing apparatus, ash and fuel conveyors, mirrors, lamps, ornaments, rugs, linoleum and any other floor covering, refrigerating and cooling apparatus and equipment, cabinets, lockers, shelving, spotlighting equipment, and each and every exterior and interior improvement and all other present and future "equipment" (as defined in the Uniform Commercial Code) and fixture, all fixtures, equipment, goods and other articles or property owned by Mortgagor and all general intangibles, as defined in the Uniform Commercial Code including trade name and other names under or by which Mortgagor may at any time be operated or known, the good will of the Mortgagor in connection therewith and the right of the Mortgagor, as owner, to carry on business under any or all such name or names and any variant or variants thereof, insofar as the same may be transferable by Mortgagor without breach of any agreement pursuant to which Mortgagor may have obtained its right to use such name or names, and any and all trademarks, prints, labels, advertising concepts and literature, all right, title and interest of the Mortgagor as owner, arising from the operation of the Mortgaged Property to payment for goods sold or leased or for services rendered, whether or not yet earned by performance, and not evidenced by an instrument or chattel paper, (hereinafter referred to as "Accounts Receivable") including all accounts arising from the operation of the Mortgaged Property and Accounts Receivable shall include those now existing or hereafter created, substitutions therefor, proceeds (whether cash or non-cash, movable

or immovable, tangible or intangible) received upon the sale, exchange, transfer, collection or other disposition or substitution thereof and any and all of the foregoing and proceeds therefrom of whatever kind, now or at any time hereafter affixed to, attached to, placed upon or situated upon, and used or useful in any way in connection with the complete and comfortable use, enjoyment, occupancy and/or operation of the Property or in any business now or hereafter operated by Mortgagor, as owner, except franchise agreements, all building materials, equipment and goods now or hereafter delivered to the Property and intended to be installed therein, and all other machinery, fixtures, tools, implements, apparatus, appliances, equipment, goods, facilities and other personal property of every kind and character whatsoever, together with renewals, replacements and substitutions thereof and additions and accessions thereto and which Mortgagor, now or at any time hereafter owns individually and which are now or hereafter located or situated in or upon, or affixed or attached to, or used in connection with the operation of, all or any portion of the Property and the proceeds of all the foregoing items.

"GAAP" shall have the meaning specified in the Credit Agreement.

"Indebtedness" shall mean, as of any date, (i) all indebtedness of Mortgagor for borrowed money or for the deferred purchase price of property or services (except such indebtedness being contested by Mortgagor in good faith and by appropriate actions), (ii) all obligations of Mortgagor evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations under leases which shall have been or should be, in accordance with GAAP, recorded as capital leases in respect of which Mortgagor is liable as lessee (except such obligations the existence of which is being contested by Mortgagor in good faith and by appropriate actions), and (iv) any other indebtedness required to be recorded as indebtedness on the financial statements of Mortgagor in accordance with GAAP.

"Laws" shall mean all statutes, laws, ordinances, rules, regulations, orders, writs, injunctions or decrees of any Tribunal.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind, including without limitation any agreement to give or not to give any of the foregoing, any conditional sale or other title retention agreement, any lease in the nature of a conditional sale or title retention agreement, the filing of or agreement to give any financing statement or other similar form of public notice under the Laws of any jurisdiction.

"Loan Documents" shall mean this Leasehold Mortgage, the Credit Agreement, the Ground Lease, the Notes, the Security Agreement, and all other documents, instruments and certificates to be executed by Borrower or any Person in connection with this Leasehold Mortgage or as security for the Loan.

"Notes" shall mean the Notes, as defined in the Credit Agreement.

"Permitted Encumbrances" shall have the meaning set forth in the Credit Agreement.

"Person" shall mean and include an individual, partnership, joint venture, corporation, trust, Tribunal, unincorporated organization or government, or any department, agency or political subdivision thereof.

"Pollutant" shall mean any reportable quantity of any hazardous waste or substance as defined in any applicable federal, state or local law, regulation, ordinance or directive, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act, 42 U.S.C. § 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801, et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601, et seq.; the Resource Conservation and Recovery Act, as amended (42 U.S.C. §§ 9601, et seq.); the Clean Water Act, 33 U.S.C. § 1251 et seq.; and the Clean Air Act, 42 U.S.C. § 7412 et seq.; and the regulations adopted pursuant to the above listed laws, as any such acts or regulations may be amended, modified or supplemented, or any reportable quantity of asbestos.

"Property" shall mean Mortgagor's interest in the Land, the Improvements and any other item of realty or personalty encompassed by the term "Mortgaged Property", elsewhere herein defined.

"Tribunal" shall mean any municipal, state, commonwealth, federal, foreign, territorial or other court, legislature or governmental body, subdivision, agency, department, commission, board, bureau or instrumentality, in each case with applicable regulatory authority.

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ARTICLE IV
LEASES AND ASSIGNMENT OF LEASES AND RENT

Section 4.01 As used in this document: (a) "Lease" means any lease or sublease or other agreement executed by Mortgagor under the terms of which any person has or acquires any right to occupancy or use of the Mortgaged Property, or any part thereof, or interest therein, (b) "Lessee" means the lessee, sublessee, tenant or other person having the right to occupy or use a part of the Mortgaged Property under a Lease, and (c) "Rent" means the rents, additional rent, royalties and other consideration payable, however defined, to Mortgagor or any third party by the Lessee under the terms of a Lease. Whenever reference is made in this Mortgage to a lease, lessee, tenancy or tenant, such reference shall be deemed to include a sublease, sublessee, subtenancy or subtenant, as the case may be.

Section 4.02 Mortgagor hereby assigns to the Mortgagee all Leases and all Rent payable under each Lease now or at any time hereafter existing. As between Mortgagee and Mortgagor and any person claiming through or under Mortgagor the assignment contained in this Section 4.02 is intended to be absolute, unconditional and presently effective, and the provisions of clauses (a) and (b) of this Section 4.02 are intended for the benefit of each Lessee and shall never inure to the benefit of Mortgagor or any person claiming through or under Mortgagor. Such assignment being upon the following terms: (a) Mortgagor shall have a license, revocable upon the occurrence of an Event of Default, from Mortgagee to collect and use the Rents from each Lessee and each Lessee may pay Rent directly to Mortgagor, (b) upon receipt from

Mortgagee of notice that an Event of Default exists, each Lessee is hereby authorized and directed to pay directly to Mortgagee all Rent thereafter accruing, and the receipt by Mortgagee shall be a release of such Lessee to the extent of all amounts so paid, (c) Rent so received by Mortgagee shall be applied by Mortgagee, first, to the expenses, if any, of collection of such Rent and then in accordance with Article II hereof, (d) without impairing its rights hereunder, Mortgagee may, at its option, at any time and from time to time, release to Mortgagor Rent so received by Mortgagee, or any part thereof, and (e) Mortgagee shall not be liable for its failure to collect, or its failure to exercise diligence in the collection of, Rent, but shall be accountable only for Rent that it shall actually receive. It shall not be necessary for Mortgagee to institute legal proceedings of any kind whatsoever to enforce the provisions of this Section 4.02.

Section 4.03 Mortgagor covenants to: (a) assign to Mortgagee upon demand by Mortgagee, any and all Leases, and the Rent payable thereunder, including, but not limited to, any Lease which is now in existence or which may be executed after the date hereof, by separate instrument in form and substance reasonably satisfactory to Mortgagee; (b) not accept from any Lessee, nor permit any Lessee to pay, Rent for more than one month in advance except prepayments in the nature of a security for the performance of Lessee's obligation under such Leases; (c) consistent with Mortgagor's prudent business judgment, comply with all material terms and provisions of each Lease to be performed on its part, including, without limitation, the payment of all sums required to be paid by Mortgagor or which any Lessee has an option to pay under any Lease in order to prevent any reduction in or offsets against any Rent payable under any Lease or any default thereunder; (d) not materially amend, modify, extend, renew or vary any of the terms of a Lease, except as provided in the Credit Agreement; (e) not assign, transfer or mortgage Mortgagor's interest in any Lease without the consent of Mortgagee; (f) not excuse, waive, release or condone any non-performance of any material covenants of any Lessee and at all times do all things necessary to compel performance by the Lessee under each Lease of all material obligations, covenants and agreements by such Lessee to be performed thereunder; (g) give to Mortgagee duplicate notice of each notice of default given to each Lessee; and (h) enforce its rights with regard to all Leases, provided, however, that no Lessee shall have any rights as against Mortgagor or Mortgagee by virtue of this Section 4.03.

Section 4.04 Mortgagor will not, without the prior written consent of Mortgagee, (i) terminate or consent to the cancellation or surrender of any Lease, now existing or hereafter to be made, except for the termination of any Lease for non-payment of Rent by any Lessee thereunder, (ii) enter into any leases, lettings or license arrangements affecting the Mortgaged Property or any part thereof, except as provided in the Credit Agreement, or (iii) permit the abandonment of premises demised under any Lease.

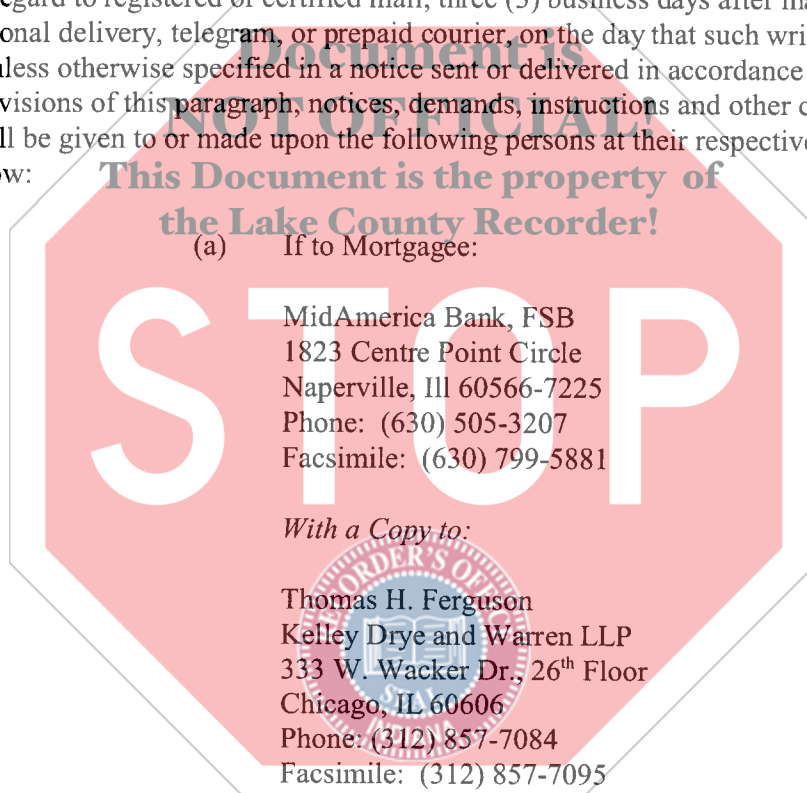
Section 4.05 All Leases shall provide for the giving by the Lessee of estoppel certificates, and Mortgagor shall exercise its right to request such certificates within thirty (30) days of any demand therefor by Mortgagee.

ARTICLE V
MISCELLANEOUS

Section 5.01 All of the grants, covenants, terms, provisions and conditions herein shall run with the Land and shall apply to, bind and inure to the benefit of the successors and assigns of Mortgagor and the successors and assigns of Mortgagee.

Section 5.02 In the event any one or more of the provisions contained in any Loan Document shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision of any Loan Document, but the Loan Documents shall be construed as if such invalid, illegal or unenforceable provision had never been contained therein.

Section 5.03 Except where telephonic instructions or notices are authorized herein to be given, all notices, demands, instructions and other communications required or permitted to be given to or be made upon either party hereto or any other Person shall be in writing and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested, or telegram (with messenger delivery specified in the case of a telegram), or by prepaid courier, and shall be deemed to be given for purposes of this Leasehold Mortgage in regard to registered or certified mail, three (3) business days after mailing, and in regard to personal delivery, telegram, or prepaid courier, on the day that such writing is delivered. Unless otherwise specified in a notice sent or delivered in accordance with the foregoing provisions of this paragraph, notices, demands, instructions and other communications in writing shall be given to or made upon the following persons at their respective addresses indicated below:



(b) If to Mortgagor:

Chicago Steel Limited Partnership
700 Chase Street, Suite 100
Gary, Indiana 46404
Attention: Ms. Kathy Stoll
Phone: (219) 949-1111
Facsimile: (219) 977-4282

With a Copies to:

Robert J. Bobb & Company
311 South Wacker Drive, Suite 5500
Chicago, Illinois 60606
Attention: Mr. Robert J. Bobb
Phone: (312) 913-1000
Facsimile: (312) 913-1001

David K. Staub
Stahl Cowen Crowley LLC
55 West Monroe Street
Suite 500
Chicago, Illinois 60603
Phone: (312) 641-0060
Facsimile: (312) 641-6959

or at such other address as any of the parties may from time to time designate by written notice given as herein required. Rejection or refusal to accept, or inability to deliver because of changed addresses or because no notice of changed address was given, shall be deemed a receipt of such notice.

Section 5.04 Whenever in this Leasehold Mortgage the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person or persons entitled to receive such notice.

Section 5.05 This Leasehold Mortgage and all the rights and indebtedness hereby secured shall, without regard to place of contract or payment, be construed and enforced according to the laws of the State of Indiana.

Section 5.06 Neither this Leasehold Mortgage nor any provision hereof may be changed, waived, discharged or terminated, except by an instrument in writing signed by Mortgagee and Mortgagor.

Section 5.07 This Leasehold Mortgage shall be deemed to be a security agreement pursuant to the Uniform Commercial Code of the State of Indiana.

Section 5.08 In the event that Mortgagee, in enforcing its rights hereunder, determines that charges and fees incurred in connection with the Loans may, under the applicable laws with respect to usury, cause the interest rate herein to exceed the maximum allowed by law, then such interest shall be recalculated and any excess over the maximum interest permitted by said laws shall be credited to the then outstanding principal balance to reduce said balance by that amount. It is the intent of the parties hereto that Mortgagor, under no circumstances, shall be required to pay, nor shall Mortgagee be entitled to collect, any interest which is in excess of the maximum legal rate permitted under the applicable laws with respect to usury.

Section 5.09 Mortgagor may not claim or demand or be entitled to receive any credit or credits on the principal of any indebtedness the payment of which is secured by this Leasehold Mortgage, or on the interest payable thereon with respect to any taxes or assessments levied on the Mortgaged Property by any Tribunal. Notwithstanding anything to the contrary in this Section 5.09, to the extent that the Mortgagee is required to pay such taxes or assessments, Mortgagee shall have the right to declare the unpaid principal balance of the Notes and the interest thereon due on a date to be specified upon not less than thirty (30) days written notice to be given to Mortgagor by Mortgagee, unless Mortgagor shall, prior to the expiration of such thirty (30) day period, reimburse Mortgagee for such taxes or assessments paid by Mortgagee.

Section 5.10 All options and rights of election herein provided for the benefit of Mortgagee are continuing, and the failure to exercise any such option or right or election upon a particular default or breach or upon any subsequent default or breach shall not be construed as waiving the right to exercise such option or election at any later date. By the acceptance of payment of principal of or interest on any of the Liabilities after its due date, Mortgagee does not waive the right either to require prompt payment when due of all other amounts secured hereby or to regard as an Event of Default the failure to pay any other amounts. No exercise of the rights herein granted and no delay or omission in the exercise of such rights shall be held to exhaust the same or be construed as a waiver thereof, and all such rights may be exercised at any time and from time to time. All grants, covenants, terms and conditions hereof shall bind Mortgagor and all successive owners of the Mortgaged Property.

Section 5.11 No release of any part of the Mortgaged Property or of any other property conveyed to secure the obligations secured hereby shall in any way alter, vary or diminish the force, effect, lien or security interest of this Leasehold Mortgage on the Mortgaged Property or portion thereof remaining subject to the lien and security interest created hereby.

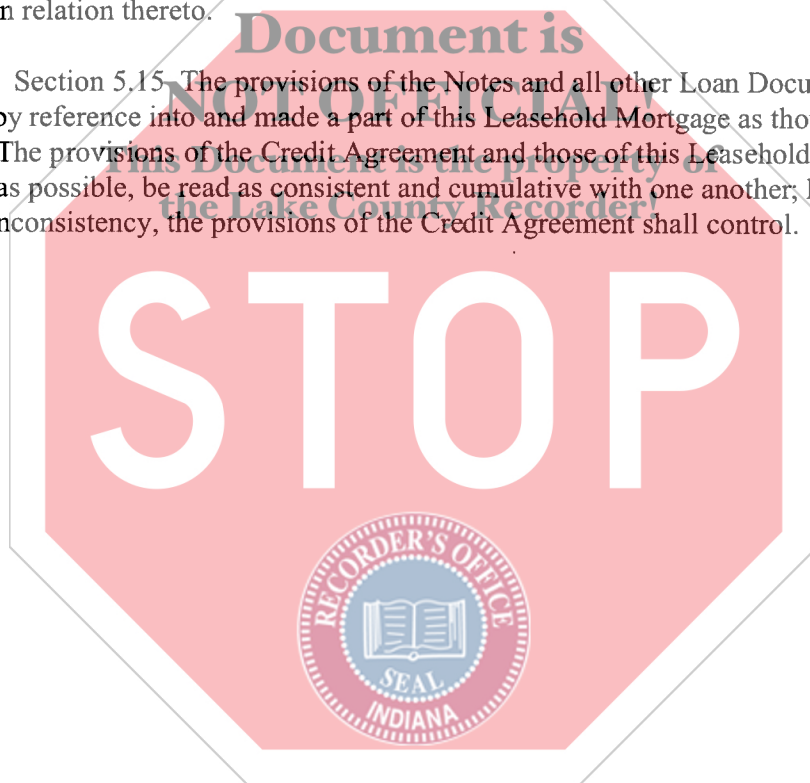
Section 5.12 In the event Mortgagor or any of the Mortgagor's successors conveys any interest in the Mortgaged Property, or any part thereof, to any other party, Mortgagee may, without notice to Mortgagor or Mortgagor's successor, deal with any owner of any part of the Mortgaged Property with reference to this Leasehold Mortgage and to the Liabilities, either by forbearance on the part of Mortgagee, or release of all or any part of the Mortgaged Property, or any other property securing payment of any Liabilities, without in any way modifying or affecting Mortgagee's rights, remedies, liens or security interests hereunder (including the right to exercise any one or more of the remedies described or referred to in Article II hereof in the event such conveyance is made in contravention of the provisions of this Leasehold Mortgage) or the

liability of Mortgagor or any other party liable for the payment of the Liabilities, in whole or in part.

Section 5.13 At any time or from time to time, without notice, and without liability therefor and without affecting the liability of any person for payment of indebtedness secured hereby or the effect of this Leasehold Mortgage upon the remainder of said Mortgaged Property, Mortgagee may (i) release from the lien of this Leasehold Mortgage any part of said Mortgaged Property; (ii) consent in writing to the making of any map or plat thereof; (iii) join with Mortgagor in granting any easement thereon, or (iv) join with Mortgagor in any extension agreement or any agreement subordinating the lien or charge hereof.

Section 5.14 Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Leasehold Mortgage upon any portion of the Mortgaged Property not then or theretofore released as security for the full amount of all unpaid obligations, Mortgagee may, from time to time and without notice, (i) release any person so liable, (ii) extend the maturity or alter any of the terms of any such obligation, (iii) grant other indulgences, (iv) release or reconvey, or cause to be released or reconveyed from the lien of this Leasehold Mortgage at any time at Mortgagee's option any parcel, portion or all of the Mortgaged Property, (v) take or release any other or additional security for any obligation herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.

Section 5.15 The provisions of the Notes and all other Loan Documents are incorporated by reference into and made a part of this Leasehold Mortgage as though fully set forth herein. The provisions of the Credit Agreement and those of this Leasehold Mortgage shall, insofar as possible, be read as consistent and cumulative with one another; however, in the event of any inconsistency, the provisions of the Credit Agreement shall control.

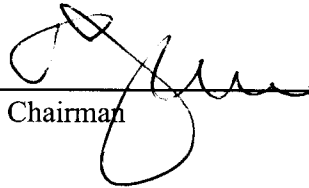


IN WITNESS WHEREOF, this instrument has been duly executed by Mortgagor as of the day and year first above written

CHICAGO STEEL LIMITED PARTNERSHIP

By: BAS L.P., a general partner

By: CHICAGO STEEL & TINPLATE
PROCESSING, INC., its general partner

By:  _____
Its: Chairman



(Acknowledgement)

STATE OF ILLINOIS)
)
COUNTY OF COOK) ss

On this 26 day of June, 2003, before me personally appeared Robert J. Bobb, who being by me duly sworn, acknowledged and said that he is the chairman of the corporation that is a general partner of BAS L.P. which is the general partner of Chicago Steel Limited Partnership, an Indiana limited partnership, the partnership described in and which executed the foregoing Leasehold Mortgage, Security Agreement and Assignment of Leases and Rents, that he executed the same as act and deed of said corporation as general partner being authorized to do so by the partners of said partnership, and that he signed his name thereto by authority of the Board of Directors of said corporate general partner.



NOTARY PUBLIC



SCHEDULE A

(the Land)



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.

