

Recording Requested ~~and~~
~~When Recorded Return to:~~
 Shearman & Sterling
 599 Lexington Avenue
 New York, NY 10022
 Attn: Jeffrey S. Page, Esq.

NYTC 1396-2504

The address of the entity holding a lien or other interest by this instrument is Citicorp USA, Inc., 399 Park Avenue, New York, NY 10043

The tax account number of the property subject to the lien or in which the interest is created is 55-0703273.

LINE OF CREDIT LEASEHOLD DEED OF TRUST
 Leasehold Mortgage with Assignment of Rents and Leases, Fixture Filing and Security Agreement

MORTGAGOR: Wheeling-Pittsburgh Steel Corporation, f/k/a Champion Metal Products, Inc.
 MORTGAGEE: Citicorp USA, Inc., as Agent for the Lenders, as provided in that certain Debtor In Possession Credit Agreement dated as of November 17, 2000, by and between Mortgagor, the Borrowers listed in the Debtor In Possession Credit Agreement, Citicorp USA, Inc., as Agent, and the banks, financial institutions and other lenders party thereto.
 TRUSTEE: Chicago Title Insurance Co.

MAXIMUM AMOUNT:
 TO BE ADVANCED: \$290,000,000

TERM OF CREDIT AGREEMENT: November 17, 2002

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THIS LEASEHOLD DEED OF TRUST, OPEN-END LEASEHOLD DEED OF TRUST, ADVANCE MONEY LEASEHOLD DEED OF TRUST, LINE OF CREDIT LEASEHOLD DEED OF TRUST, ASSIGNMENT, ASSIGNMENT OF RENTS, SECURITY AGREEMENT, FIXTURE FILING AND FINANCING STATEMENT (as the same may from time to time be extended, spread, split, consolidated, modified, restated and renewed, this "Deed of Trust") made effective as of February 14, 2001, by WHEELING-PITTSBURGH STEEL CORPORATION, a Delaware corporation having its principal office at 1134 Market Street, Wheeling, West Virginia 26003 ("Grantor"), to CHICAGO TITLE INSURANCE CO., A MISSOURI CORPORATION having an address of 888 SouthWest Fifth Avenue, Portland, Oregon 97204, as trustee ("Trustee"), for the benefit of CITICORP USA, INC., a national banking association having an address at 399 Park Avenue, New York, New York 10043 ("Beneficiary"), as Agent as defined in the Credit Agreement (in such capacity, together with its successors in such capacity, as appointed in accordance with the Credit Agreement (as hereinafter defined), "Agent") for the Lenders (as hereinafter defined).

WITNESSETH:

WHEREAS, WHEELING-PITTSBURGH CORPORATION, WHEELING-PITTSBURGH STEEL CORPORATION, WP STEEL VENTURE CORPORATION, CONSUMERS MINING COMPANY, W-P COAL COMPANY, MINGO OXYGEN COMPANY, MONESSEN SOUTHWESTERN RAILWAY COMPANY, WHEELING EMPIRE COMPANY AND PITTSBURGH-CANFIELD CORPORATION (collectively, "Borrower") have entered into that certain Debtor in Possession Credit Agreement (said credit agreement, dated November 17, 2000, as the same may be amended, modified or supplemented from time to time, being the "Credit Agreement"), with the lenders party thereto and Citibank, N.A., as Initial Issuing Bank and Beneficiary as Agent for the Lenders (as defined in the Credit Agreement);

WHEREAS, pursuant to the Credit Agreement and subject to the terms and conditions therein set forth, the Lenders have made and agree to make a loan to the Grantor and to issue letters of credit on behalf of the Grantor in an aggregate amount not to exceed at any time \$290,000,000, excluding PIK Interest (as defined in the Credit Agreement) and advances made to protect the lien of this Deed of Trust;

WHEREAS, to evidence and secure such indebtedness, Borrower has executed and delivered certain of the Loan Documents (as defined in the Credit Agreement);

WHEREAS, it has been agreed that as a condition to the making of the Credit Agreement, that Grantor will secure such indebtedness by the execution and delivery of this Deed of Trust; and

WHEREAS, it has been agreed that the payment and performance of the Secured Obligations (as hereinafter defined) shall be secured by a leasehold deed of trust, open-end leasehold deed of trust, advance money leasehold deed of trust, line of credit leasehold deed of trust, assignment, assignment of rents and financing statement, as applicable, of certain property as hereinafter identified, as provided for in that certain INTERIM ORDER (1) AUTHORIZING THE DEBTORS TO OBTAIN POST-PETITION SECURED SUPERPRIORITY FINANCING, (2) AUTHORIZING THE DEBTORS TO ENTER INTO, AND APPROVING, A RECEIVABLES PROGRAM TERMINATION AGREEMENT, (3) SCHEDULING A FINAL HEARING, (4) APPROVING FORM AND MANNER OF NOTICE, AND (5) GRANTING RELATED RELIEF, entered on November 17, 2000 by the United States Bankruptcy Court Northern District of Ohio in the matter of In re Pittsburgh-Canfield Corporation, et al., Case Nos. 00-43394 through 00-43402;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure the punctual payment by Grantor when due, whether at stated maturity, by acceleration or otherwise, of the Secured Obligations and the performance and observance of all other covenants, obligations and liabilities of Grantor under this Deed of Trust, as the same may be extended, modified or renewed or replighted, Grantor does hereby create a security interest in, mortgage, grant, bargain, sell, alien, assign, pledge, give, transfer, set over and convey unto (i) Trustee and to its successors and assigns IN TRUST WITH POWER OF SALE AND RIGHT OF ENTRY for the benefit and security of Beneficiary and its successors and assigns, upon the terms and conditions of this Deed of Trust, each and all of the real properties described in the Granting Clauses herein and (ii) Agent and to its successors and assigns for the benefit and security of the Agent and its successors and assigns, upon the terms and conditions of this Deed of Trust all other property located on the real property referenced herein or described in the Granting Clauses herein (hereinafter collectively called the "Trust Estate").

GRANTING CLAUSES

All the estate with all right, title and interest of Grantor in and to all those certain leases and the leasehold estates created thereby more particularly described in Exhibit A-1 hereto, as the same may be amended, renewed, modified, supplemented or extended from time to time (collectively referred to as the "Leases") of and in those certain plots, pieces and parcels of land more particularly described in the aforesaid Exhibit A-2 (the "Leased Land"), and any and all reversions or remainders in and to Grantor's interest in the Leased Land, all modifications, extensions, replacements and renewals of the Leases and all credits, deposits, options (including any options to purchase or renew set forth in the Leases), privileges and rights of Grantor under the Leases and all guarantees of the Leases (all of the foregoing hereinafter collectively referred to as the "Leasehold Estate");

TOGETHER with the tenements, hereditaments, appurtenances and all the estates and rights of Grantor in and to the Leased Land;

TOGETHER with all right, title and interest of Grantor in and to all buildings and improvements now or hereafter located on the Leased Land (hereinafter collectively referred to as the "Improvements") and all right, title and interest, if any, of Grantor in and to the streets, roads, sidewalks and alleys abutting the Leased Land, and strips and gores within or adjoining the Leased Land, the air space and right to use said air space above the Leased Land and any transferable development or similar rights appurtenant thereto, all rights of ingress and egress by motor vehicles to parking facilities on or within the Leased Land, all easements now or hereafter affecting the Leased Land, royalties and all rights appertaining to the use and enjoyment of the Leased Land, including alley, drainage, mineral, water, oil and gas rights;

TOGETHER with all fixtures and all appurtenances and additions thereto and substitutions or replacements thereof owned by Grantor and now or hereafter attached to the Premises (as hereinafter defined);

TOGETHER with all property, tangible and intangible, and all additions thereto and substitutions or replacements thereof owned by Grantor and now or hereinafter contained in, or used in connection with the Premises or placed on any part thereof whether or not attached thereto, to the extent the same constitutes real property in the state in which the Trust Estate is located (all of the foregoing, including the items hereinafter enumerated, collectively referred to as the "Equipment"), including all removable window and floor coverings, furniture and furnishings, heating, lighting, plumbing, ventilating, air conditioning, refrigerating, incinerating and elevator plants, cooking facilities, vacuum cleaning systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, appliances, equipment, fittings and fixtures (the Leasehold Estate together with the Improvements and the Equipment, are hereinafter collectively referred to as the "Premises");

TOGETHER with all right, title and interest of Grantor in and to all leases, subleases, lettings and licenses (except Leases) of, and all other contracts, bonds and agreements affecting the Premises or any part thereof now or hereafter entered into, and all amendments, modifications, supplements, additions, extensions and renewals thereof (all of the foregoing hereinafter collectively referred to as the "Subordinate Leases"), including cash and securities deposited thereunder (as down payments, security deposits or otherwise), the right to receive and collect the rents, security deposits, income, proceeds, earnings, royalties, revenues, issues and profits payable thereunder and the rights to enforce, whether at law or in equity or by any other means, all provisions and options thereof or thereunder (all of the foregoing hereinafter collectively referred to as the "Rents") and the right to apply the same to the payment and performance of the Secured Obligations;

TOGETHER with all right, title and interest of Grantor in and to all rights, dividends and/or claims of any kind whatsoever relating to the Premises (including damage, secured, unsecured, lien, priority and administration claims); together with the right to take any action or file any papers or process in any court of competent jurisdiction, which may in the opinion of Beneficiary be necessary to preserve, protect, or enforce such rights or claims, including the filing of any proof of claim in any insolvency proceeding under any state, federal or other laws and any rights, claims or awards accruing to or to be paid to Grantor in its capacity as landlord under any Subordinate Lease;

TOGETHER with all right, title and interest of Grantor in and to all other agreements, rights, written materials and intangible personal property (whether now or in the future existing) arising in connection with, derived from or otherwise relating to the Trust Estate or any portion thereof or the ownership, development, construction, use, operation, occupancy, lease, sale or financing of the Trust Estate or any portion thereof, including: (i) permits, approvals, consents and other authorizations; (ii) improvement plans and specifications and architectural drawings; (iii) agreements with contractors, subcontractors and suppliers; (iv) warranties and guaranties and (v) escrow proceeds, reserves, deposits, bonds, deferred payments, refunds, rebates, discounts, cost savings and leases;

TOGETHER with all right, title and interest of Grantor in and to all unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by Grantor and relating to the Premises and all proceeds of the conversion, voluntary or involuntary, of the Premises into cash or liquidated claims, including proceeds of hazard and title insurance and all awards and compensation heretofore and hereafter made to the present and all subsequent owners of the Premises by any governmental or other lawful authorities for the taking by eminent domain, condemnation or otherwise, of all or any part of the Premises or any easement therein, including awards for any change of grade of streets (collectively, "Awards"); and

TOGETHER with all right, title and interest of Grantor in and to all extensions, improvements, betterments, renewals, substitutes and replacements of, and all additions and appurtenances to, any of the foregoing hereafter acquired by, or released to, Grantor or constructed, assembled or placed by Grantor on the Premises and all conversions of the security constituted thereby, immediately upon such acquisition, release, construction, assemblage, placement or conversion, as the case may be, and in each such case, without any further mortgage, conveyance, assignment or other act by Grantor, shall become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Grantor and specifically described herein.

TO HAVE AND TO HOLD the Trust Estate unto Trustee, and its successors in trust and assigns, upon the terms, provisions and conditions set forth herein.

It is the intention of the parties hereto that the Trust Estate shall secure all of the Secured Obligations presently or hereafter owed, and that the priority of the lien and security interest created by this Deed of Trust for all such Secured Obligations shall be controlled by the time of proper recording of this Deed of Trust. In addition, this Deed of Trust shall also secure unpaid balances of advances made with respect to the Trust Estate for the payment of taxes, assessments, insurance premiums, costs or any other advances incurred for the protection of the Trust Estate, together with interest thereon until paid at the Default Rate, all as contemplated in this Deed of Trust, all of which shall constitute a part of the Secured Obligations. THIS PARAGRAPH SHALL SERVE AS NOTICE TO ALL PERSONS WHO MAY SEEK OR OBTAIN A LIEN ON THE TRUST ESTATE SUBSEQUENT TO THE DATE OF RECORDING OF THIS DEED OF TRUST, THAT UNTIL THIS DEED OF TRUST IS RELEASED, ANY DEBT OWED BENEFICIARY BY GRANTOR, INCLUDING ADVANCES MADE SUBSEQUENT TO THE RECORDING OF THIS DEED OF TRUST, SHALL BE SECURED WITH THE PRIORITY AFFORDED THIS DEED OF TRUST AS

RECORDED, IT BEING CONTEMPLATED BY GRANTOR AND BENEFICIARY THAT GRANTOR MAY HEREINAFTER BECOME INDEBTED TO BENEFICIARY IN SUCH FURTHER SUM OR SUMS.

ARTICLE I

CERTAIN DEFINITIONS

SECTION 1.01 Certain Definitions. Capitalized terms used herein and not defined herein shall have the meanings given them in the Credit Agreement. As used herein, the following terms shall have the meanings set forth opposite them below:

"Action" has the meaning set forth in Section 8.10.

"Agent" has the meaning set forth in the Recitals.

"Awards" has the meaning set forth in the Granting Clauses.

"Bankruptcy Law" means any bankruptcy, insolvency, reorganization, moratorium or similar law.

"Beneficiary" has the meaning set forth in the Recitals.

"Borrower" has the meaning set forth in the Recitals.

"Contest" has the meaning set forth in Section 3.11.

"Credit Agreement" has the meaning set forth in the Recitals.

"Deed of Trust" has the meaning set forth in the Recitals.

"Equipment" has the meaning set forth in the Granting Clauses.

"Grantor" has the meaning set forth in the Recitals.

"Impositions" means all taxes, assessments, vault, water and sewer rents, rates, charges and assessments, levies, permits, inspection and license fees and other governmental and quasi-governmental charges and any penalties or interest for nonpayment thereof, heretofore or hereafter imposed which may become a lien upon the Trust Estate.

"Improvements" has the meaning set forth in the Granting Clauses.

"Leased Land" has the meaning set forth in the Granting Clauses.

"Leasehold Estate" has the meaning set forth in the Granting Clauses.

"Leases" has the meaning set forth in the Granting Clauses.

"Notice" has the meaning set forth in Section 8.03

"Permitted Encumbrances" has the meaning set forth in Section 3.03.

"Premises" has the meaning set forth in the Granting Clauses.

"Rents" has the meaning set forth in the Granting Clauses.

"Secured Obligations" has the meaning set forth in Section 2.01.

"Subordinate Leases" has the meaning set forth in the Granting Clauses.

"Trust Estate" has the meaning set forth in the Recitals.

ARTICLE II

OBLIGATIONS SECURED

SECTION 2.01 Obligations Secured. This Deed of Trust is given for the purpose of securing the payment of all obligations (of every kind and character now or hereafter existing, whether matured or unmatured, contingent or liquidated) of Grantor, as borrower: (i) under the Credit Agreement, and (ii) this Deed of Trust. All of the obligations described in this Section are referred to as the *"Secured Obligations"*.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS OF GRANTOR

SECTION 3.01 Payment of Secured Obligations. Grantor shall punctually pay when due, and timely perform, the Secured Obligations, and will perform and observe all of its obligations under the Loan Documents.

SECTION 3.02 Legal Status, Authority and Other Matters.

(a) Legal Status. Grantor represents and warrants that it is a corporation duly organized and existing in good standing under the laws of Delaware and has the full power and authority to own the Trust Estate and carry out its business in the state in which the Trust Estate is located.

(b) No Actions Pending. Except as set forth in Schedule 4.6 of the Credit Agreement, there are no actions, suits or proceedings, judicial, administrative or otherwise, pending or, to the best of Grantor's knowledge, threatened or contemplated against or affecting Grantor or the Trust Estate that would, in the aggregate under the Credit Agreement, have a Material Adverse Effect.

SECTION 3.03 Warranty of Title. Grantor warrants that it has good and marketable title to the Trust Estate in each case free and clear of all liens, charges and encumbrances of every kind and character and, except as listed on Exhibit B-1 or permitted under the Chapter 11 bankruptcy filing, (*"Permitted Encumbrances"*) there are no encumbrances that individually or in the aggregate

(i) interfere in any material respect with the use, occupancy or operation of the Leased Property as currently used, occupied and operated or (ii) materially reduce the fair market value of the Leased Property below the value of the Leased Property but for such encumbrances; has and will continue to have full power and lawful authority to encumber and convey the Trust Estate as provided herein; this Deed of Trust is and will continue to remain a valid and enforceable first mortgage lien on and security interest in the Trust Estate, subject only to the Permitted Encumbrances. Grantor further covenants that it will preserve such title and will forever warrant and defend the title to the Trust Estate unto Beneficiary against all lawful claims whatsoever and will forever warrant and defend the validity, enforceability and priority of the lien of this Deed of Trust against the claims of all persons and parties whomsoever.

SECTION 3.04 Operation and Maintenance.

(a) Repair and Maintenance. Subject to the provisions of Section 6.2 of the Credit Agreement, Grantor will operate and maintain the Premises in good order, repair and operating condition, will promptly make all necessary repairs, restorations, renewals, replacements, additions and improvements thereto, interior and exterior, structural and nonstructural, foreseen and unforeseen, or otherwise necessary to insure that the same as part of the security under this Deed of Trust shall not in any material way be diminished or impaired, and will not cause or allow the Premises to be misused, wasted or to deteriorate.

(b) Status of the Premises. The Premises is not located in an area identified by the Secretary of Housing and Urban Development or a successor thereto as an area having special flood hazards pursuant to the terms of the National Flood Insurance Act of 1968, or the Flood Disaster Protection Act of 1973, as amended, or any successor law; or if the Premises is located in such an area, Grantor will obtain and maintain insurance against damage or loss by flood on such basis and in such amounts as shall be required by Beneficiary; (ii) the Premises is served by all utilities required for the current use thereof; (iii) all streets necessary to serve the Leased Land, and the Improvements for the current use thereof have been completed and are serviceable and have been dedicated or accepted by the appropriate governmental entities and Grantor has access from public roads to the Leased Land, and the Improvements; and (iv) there is no condemnation or similar proceeding pending or, to the best of Grantor's knowledge, threatened affecting any part of the Premises that would in the aggregate have a Material Adverse Effect on the Premises.

(c) Use. Grantor will use the Premises for substantially the same use as in effect as of the date hereof and for no other use unless consented to in writing by Beneficiary, such consent not to be unreasonably withheld or delayed as long as such change in use is consistent with Grantor's present business. Grantor will not do or suffer to be done anything which would or could increase the risk of fire or other hazard to the Premises or any other part thereof or which would or could result in the cancellation of any insurance policy carried with respect to the Premises.

(d) Removal of Improvements. Grantor will not remove any material Improvements from the Premises, except in the ordinary course of business, or remove, demolish or alter, other than an alteration of an immaterial nature, the structural character of any Improvements without the

written consent of Beneficiary, nor use or permit use of the Premises for any purpose other than that for which the same are now used.

(e) Damage. If the Premises or any part thereof are damaged by fire or any other cause to the extent that it affects the normal continuing operations of the Premises as such operations existed immediately prior to such damage or otherwise materially affects the value of the Premises, Grantor will give prompt written notice thereof to Beneficiary.

(f) Entrance onto the Premises. Beneficiary or its representative is hereby authorized to enter upon and inspect the Premises in accordance to the provisions set forth in Section 6.6 of the Credit Agreement.

(g) Zoning; Title Matters. Grantor will not, without the prior written consent of Beneficiary, such consent not to be unreasonably withheld or delayed as long as such change in use is consistent with Mortgagors present business, (i) initiate or support any zoning reclassification of the Premises, seek any variance under existing zoning ordinances applicable to the Premises or use or permit the use of the Premises in a manner which would result in such use becoming a non-conforming use under the applicable zoning ordinances, (ii) modify or amend any of the Permitted Encumbrances, (iii) except as permitted under Section 7.1 of the Credit Agreement impose any restrictive covenants or encumbrances upon the Premises, execute or file any subdivision plat affecting the Premises or consent to the annexation of the Premises to any municipality or (iv) permit or suffer the Premises to be used by the public or any person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement.

SECTION 3.05 Insurance.

(a) Coverage. Grantor shall, at Grantor's expense, maintain in force and effect on the Trust Estate at all times while this Deed of Trust continues in effect the following insurance:

(i) Insurance against loss or damage to the Trust Estate by fire, windstorm, lightning, tornado and hail and against loss and damage by such other, additional risks as may be now or hereafter embraced by an "all-risk" form of insurance policy. The amount of such insurance shall be in an amount mutually deemed sufficient by the Beneficiary and Grantor. The determination of the insurable value shall be adjusted annually to comply with the requirements of the insurer issuing such coverage. Grantor shall also maintain insurance against loss or damage to furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Trust Estate and owned by Grantor from time to time to the extent applicable.

(ii) Commercial General Liability Insurance against claims for personal injury, bodily injury, death and property damage occurring on, in or about the Premises in amounts not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate plus umbrella coverage in an amount not less than \$50,000,000. Beneficiary hereby retains the right to periodically review the amount of said liability insurance and to require an increase

in the amount of said liability insurance should Beneficiary deem an increase to be reasonably prudent under then existing circumstances.

(iii) Boiler and machinery insurance (including explosion coverage), if steam boilers or other pressure-fired vessels are in operation at the Premises. Minimum liability coverage per accident must equal the greater of the replacement cost (insurable value) of the Improvements housing such boiler or pressure-fired machinery or \$5,000,000. If one or more HVAC units are in operation at the Premises, "Systems Breakdowns" coverage shall be required, as determined by Beneficiary. Minimum liability coverage per accident must equal the replacement value of such unit(s).

(iv) If the Improvements or any part thereof is situated in an area designated by the Federal Emergency Management Agency ("**FEMA**") as a special flood hazard area (Zone A or Zone V), flood insurance in an amount equal to the lesser of: (a) the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the Obligations if replacement cost coverage is not available for the type of building insured), or (b) the maximum insurance available under the appropriate National Flood Insurance Administration program. The deductible shall be \$1,000,000 per occurrence or a higher minimum amount as required by FEMA or other applicable law.

(v) During the period of any construction, renovation or alteration of the existing Improvements which exceeds the lesser of 10% of the principal amount of the Note or \$2,000,000, at Beneficiary's request, a completed value, "Course of Construction" insurance policy or endorsement to an existing policy in non-reporting form, in an amount reasonably approved by Beneficiary, may be required or equivalent coverage under other insurance policies. During the period of any construction of any addition to the existing Improvements, a completed value, "Course of Construction" insurance policy or endorsement to an existing policy in non-reporting form, in an amount reasonably approved by Beneficiary, shall be required.

(vi) Workers' Compensation and Employers' Liability Insurance covering all appropriate persons as required by applicable law.

(vii) Business interruption or rental insurance in amounts sufficient to compensate Grantor for continuing expenses during any period of repairs or restoration which amount shall at least be equal to twelve months' anticipated gross income from the Premises.

(viii) Such other insurance on the Trust Estate or on any replacements or substitutions thereof or additions thereto as may from time to time be reasonably required by Beneficiary against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated in the vicinity of the Trust Estate including, without limitation, sinkhole, mine subsidence, earthquake and environmental insurance, due regard being given to the height and type of improvements, their construction,

location, use and occupancy; provided, however, that such coverages are available at commercially reasonable rates and terms and conditions.

(b) Policy Requirements.

(i) All such insurance shall (A) be with insurers deemed acceptable to the Beneficiary and Grantor and placed through a reputable broker utilizing security standards reasonable to the profession, (B) be for terms of at least one year, and (C) include a standard, non-contributory, mortgagee clause naming EXACTLY:

Citicorp USA, Inc. as Agent

(1) as an additional insured under all liability insurance policies, (2) as the first mortgagee and loss payee on all property insurance policies and (3) as the loss payee on all loss of rents or loss of business income insurance policies.

(ii) Prior to the expiration of any insurance required to be maintained hereunder, Grantor shall deliver to Beneficiary either (i) certificates evidencing replacement insurance or (ii) a certification that replacement insurance has been secured and that insurance certificates will be provided as soon as the same become available, but in no event later than 60 days after the date of such certification. Grantor further agrees that each such insurance policy: (A) shall provide for at least twenty-eight (28) days' prior written notice to Beneficiary prior to any policy reduction or cancellation for any reason other than nonpayment of premium and at least ten (10) days' prior written notice to Beneficiary prior to any cancellation due to nonpayment of premium; (B) shall contain an endorsement or agreement by the insurer that any property or first party loss shall be payable to Beneficiary in accordance with the terms of such policy notwithstanding any act or negligence of Grantor or any other person which might otherwise result in forfeiture of such insurance; (C) shall waive all rights of subrogation against Beneficiary; (D) in the event that the Premises constitutes a legal non-conforming use under applicable building, zoning or land use laws or ordinances, shall include an ordinance and law coverage endorsement which will contain Coverage B: "Demolition Cost" and Coverage C: "Increased Cost of Construction" coverages; (E) unless otherwise specified above, deductibles shall be in a range customary for entities in the steel industry of similar size and financial condition and further, as dictated by insurance market conditions; (F) shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions, all subject to Beneficiary's approval; and (G) may be in the form of a blanket policy, provided that Grantor hereby acknowledges and agrees that failure to pay any portion of the premium therefor which is not allocable to the Trust Estate or any other action not relating to the Trust Estate which would otherwise permit the issuer thereof to cancel the coverage thereof, would require the Trust Estate to be insured by a separate, single-property policy and the blanket policy must properly identify and fully protect the Trust Estate as if a separate policy were issued for 100% of insurable value at the time of loss and otherwise meet all of Beneficiary's applicable insurance requirements set forth in this Section 3.05. The delivery to Beneficiary of the certificates of insurance as

provided above shall constitute an assignment of all proceeds payable under such insurance policies relating to the Trust Estate by Grantor to Beneficiary as further security for the Secured Obligations. In the event of the foreclosure of this Deed of Trust, or other transfer of title to the Trust Estate in extinguishment in whole or in part of the Secured Obligations, all right, title and interest of Grantor in and to all proceeds payable under such policies then in force concerning the Trust Estate shall thereupon vest in the purchaser at such foreclosure, or in Beneficiary or other transferee in the event of such other transfer of title. Approval of any insurance by Beneficiary shall not be a representation of the solvency of any insurer or the sufficiency of any amount of insurance. In the event Grantor fails to provide, maintain or keep in force the policies of insurance required by this Deed of Trust or evidence of their replacement or renewal as required herein, Beneficiary may, upon at least ten (10) days' prior written notice to Grantor, but shall not be obligated to, procure such insurance and Grantor shall pay all amounts advanced by the Beneficiary therefor, together with interest thereon at the Default Rate (as defined in Section 4.01) from and after the date advanced by Beneficiary until actually repaid by Grantor promptly upon demand by Beneficiary. Beneficiary shall not be responsible for nor incur any liability for the failure of the insurer to perform, even though Beneficiary has caused the insurance to be placed with the insurer after failure of Grantor to furnish such insurance. Grantor shall not obtain insurance for the Trust Estate in addition to that required by Beneficiary without the prior written consent of Beneficiary, which consent will not be unreasonably withheld provided that (A) Beneficiary is a named insured on such insurance, (B) Beneficiary receives summaries of all policies evidencing such insurance, and (C) such insurance complies with all of the applicable requirements set forth herein.

(c) No Separate Insurance. Grantor shall not carry separate or additional insurance concurrent in form or contributing, in the event of loss, with that required hereunder unless endorsed in favor of Beneficiary as loss payee or additional insured, as applicable, and otherwise reasonably acceptable to Beneficiary in all material respects.

(d) Transfer of Title. In the event of foreclosure of this Deed of Trust or other transfer of title or assignment of the Premises in extinguishment, in whole or in part, of the Secured Obligations, all right, title and interest of Grantor in and to all policies of insurance required under this Section or otherwise then in force with respect to the Premises and all proceeds payable thereunder and unearned premiums thereon shall immediately vest in the purchaser or other transferee of the Premises.

(e) Delivery of Policies. Grantor covenants that it has delivered to Beneficiary certificates of insurance that confirm that the insurance required under the terms of the Loan Documents is in place and in full force and effect, and shall, from time to time as may be requested by Beneficiary, deliver to Beneficiary policies of insurance that may be requested by Beneficiary to confirm that the insurance required under the terms of the Loan Documents is in place and in full force and effect.

WARNING

Unless you provide us with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

SECTION 3.06 Liens and Liabilities.

(a) Discharge of Liens. Grantor will pay, bond or otherwise discharge, from time to time when the same shall become due, all claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in, or permit the creation of, a lien on the Premises.

(b) Creation of Liens. Grantor will not, without Beneficiary's consent, create, place or permit to be created or placed or allow to remain, and shall discharge and release any Lien not permitted by Section 7.1 of the Credit Agreement, including any deed of trust, mortgage, trust deed, voluntary or involuntary lien, security interest or other encumbrance against or covering the Premises, other than the Permitted Encumbrances, whether or not subordinate hereto.

(c) No Consent. Nothing in this Deed of Trust shall be deemed or construed in any way as constituting the consent or request by Beneficiary, express or implied, to any contractor, subcontractor, laborer, mechanic or materialman for the performance of any labor or the furnishing of any material for any improvement, construction, alteration or repair of the Premises. Grantor further agrees that Beneficiary does not stand in any fiduciary relationship to Grantor.

SECTION 3.07 Taxes and Other Charges.

(a) Taxes on the Premises. Grantor will promptly pay when due and before any penalty or interest may be added thereto, all Impositions, as provided in Section 3.07 of the Credit Agreement. Subject to the provisions of Section 6.3 of the Credit Agreement, Grantor will also pay any penalty, interest or cost for non-payment of Impositions which may become due and payable.

(b) Increased Costs. In the event of the enactment after the date hereof of any law in the state in which the Trust Estate is located or any other governmental entity deducting from the value of the Trust Estate for the purpose of taxation any lien or security interest thereon, or changing in any way the laws for the taxation of mortgages, deeds of trust or other liens or debts secured thereby, or

the manner of collection of such taxes, so as to affect this Deed of Trust, the Secured Obligations, Beneficiary or the holders of the Secured Obligations, then, and in such event, Grantor shall, on demand, pay to Beneficiary or such holder, or reimburse Beneficiary or such holder for payment of, all taxes, assessments, charges or liens for which Beneficiary or such holder is or may be liable as a result thereof, provided that if any such payment or reimbursement shall be unlawful or would constitute usury or render the Secured Obligations wholly or partially usurious under applicable law, then Beneficiary may, at its option, declare the Secured Obligations immediately due and payable or require Grantor to pay or reimburse Beneficiary for payment of the lawful and non-usurious portion thereof.

SECTION 3.08 Damage and Destruction.

(a) Grantor's Obligations. In the event of any material damage to or material loss or material destruction of the Premises, Grantor shall (i) promptly notify Beneficiary of such event, if such event would give rise to a claim under the insurance policies required to be maintained by Grantor pursuant to Section 3.05 hereof (ii) take such steps as shall be necessary to preserve any undamaged portion of the Premises and (iii) except as otherwise instructed by Beneficiary, regardless whether the insurance proceeds, if any, shall be sufficient for the purpose or shall be otherwise applied by Beneficiary as provided herein, promptly commence and diligently pursue to completion the restoration, replacement and rebuilding of the Premises to the condition required under Section 6.8 of the Credit Agreement. In the case of any property demised to Grantor pursuant to a Lease, Grantor shall comply with the provisions of such Lease, to the extent inconsistent with the provisions of Section 3.08 hereof.

(b) Beneficiary's Rights; Application of Proceeds. In the event that any portion of the Premises is so damaged, destroyed or lost, and such damage, destruction or loss is covered, in whole or in part, by insurance required by Section 3.05 hereof, then (i) Beneficiary may, but shall not be obligated to, make proof of loss if not made promptly by Grantor and is hereby authorized and empowered by Grantor to settle, adjust or compromise any claims for damage, destruction or loss thereunder, (ii) each insurance company concerned is hereby authorized and directed to make payment therefor directly to Beneficiary, and (iii) Beneficiary shall have the right to apply the insurance proceeds, first, to reimburse Beneficiary and the holders of the Secured Obligations for all costs and expenses, including adjustors' and attorneys' fees and disbursements, incurred in connection with the collection of such proceeds, and, second, the remainder of such proceeds shall be applied, at Beneficiary's option, in payment (without premium or penalty) of all or any part of the Secured Obligations, in the order and manner determined by Beneficiary (provided that to the extent that any portion of the Secured Obligations shall remain outstanding after such application, such unpaid portion of the Secured Obligations shall continue in full force and effect and Grantor shall not be excused from the payment thereof), or to the cure of any then current default hereunder, or to the restoration, replacement or rebuilding, in whole or in part, of the portion of the Premises so damaged, destroyed or lost, provided that any insurance proceeds held by Beneficiary to be applied to the restoration, replacement or rebuilding of the Premises shall be so held without payment or allowance of interest thereon and shall be paid out from time to time upon compliance by Grantor with such provisions and requirements as may reasonably be imposed by Beneficiary. In the event that Grantor shall have received or shall possess all or any portion of the insurance proceeds,

Grantor, upon demand from Beneficiary, shall pay to Beneficiary an amount equal to the amount so received by Grantor, to be applied as Beneficiary shall have the right pursuant to this subsection. Notwithstanding anything herein or at law or in equity to the contrary, no insurance proceeds or payments in lieu thereof paid to Beneficiary shall be deemed trust funds, and Beneficiary shall be entitled to dispose of such proceeds as provided in this Section.

(c) Grantor's Rights if No Event of Default. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, in the event of a casualty to all or any portion of the Premises in connection with which insurance proceeds shall have been paid, all such insurance proceeds received by the Beneficiary in connection with any such casualty will be released by the Beneficiary to the Grantor for the restoration, replacement or rebuilding of the Premises, subject to such terms and conditions with respect to the release thereof as the Beneficiary may reasonably require. Upon the occurrence and during the continuance of any Event of Default or the actual or constructive total loss of the Premises, all insurance proceeds in respect of the Premises shall be paid to the Beneficiary and shall, in the Beneficiary's sole discretion, (i) be released to the Grantor to be applied as set forth in the first sentence of this subsection (c) or (ii) be held as additional Collateral (as defined in the Security Agreement) under the Security Agreement or applied as specified in Section 3.08(b) hereof.

(d) Repair Uneconomic. Notwithstanding anything to the contrary in this Section 3.08, where such damage, destruction, or loss is substantial and Grantor determines, consistent with a good faith business judgment, that (A) the Premises so damaged, destroyed or lost is no longer desirable for the operation of Grantor's business or (B) it would be uneconomic for Grantor to restore, replace or rebuild the Premises, then Grantor shall not be required to restore, replace or rebuild the Premises, and Beneficiary shall be entitled to apply all Awards relating thereto in accordance with subsection (b) of this Section.

(e) Effect on the Secured Obligations. Notwithstanding any loss, damage or destruction referred to in this Section, Grantor shall continue to pay and perform the Secured Obligations as provided herein. Any reduction in the Secured Obligations resulting from such application shall be deemed to take effect only on the date of receipt by Beneficiary of such insurance proceeds and application against the Secured Obligations, provided that if prior to the receipt by Beneficiary of such insurance proceeds the Trust Estate shall have been sold on foreclosure of this Deed of Trust, or shall have been transferred by deed in lieu of foreclosure of this Deed of Trust, Beneficiary shall have the right to receive the same to the extent of any deficiency found to be due upon such sale, with legal interest thereon together with attorneys' fees and disbursements incurred by Beneficiary in connection with the collection thereof.

SECTION 3.09 Condemnation.

(a) Grantor's Obligations; Proceedings. Grantor, promptly upon obtaining knowledge of any pending or threatened institution of any proceedings for the condemnation of the Premises, or of any right of eminent domain which would materially adversely affect the use and operation of the Premises as required hereunder, will notify Beneficiary of the threat or pendency thereof. If an Event of Default shall have occurred and be continuing, Beneficiary may participate in any such

proceedings, and Grantor from time to time will execute and deliver to Beneficiary all instruments reasonably requested by Beneficiary or as may be required to permit such participation. Grantor shall, at its expense, diligently prosecute any such proceedings, and, if an Event of Default shall have occurred and be continuing, (i) shall deliver to Beneficiary copies of all papers served in connection therewith and shall consult and cooperate with Beneficiary, its attorneys and agents, in the carrying on and defense of any such proceedings and (ii) shall not settle any such proceeding without Beneficiary's consent not to be unreasonably withheld, conditioned or delayed. In the case of any property demised to Grantor pursuant to a Lease, Grantor shall comply with the provisions of such Lease, to the extent inconsistent with the provisions of Section 3.09 hereof.

(b) Beneficiary's Rights; Application of Awards. In the event that any portion of the Premises is so taken or condemned, then (i) all governmental and other lawful authorities concerned are hereby authorized and directed to make payment of all Awards therefor directly to Beneficiary and (ii) Beneficiary shall have the right to apply such Awards, first, to reimburse Beneficiary and the holders of the Secured Obligations for all costs and expenses, including appraiser and attorneys' fees and disbursements, incurred in connection with the collection of such Awards, and, second, the remainder of such Awards shall be applied, at Beneficiary's option, in payment (without premium or penalty) of all or any part of the Secured Obligations, in the order and manner determined by Beneficiary (provided that to the extent that any portion of the Secured Obligations shall remain outstanding after such application, such unpaid portion of the Secured Obligations shall continue in full force and effect and Grantor shall not be excused from the payment thereof), or to the cure of any then current default hereunder, or to the restoration, replacement or rebuilding, in whole or in part, of the portion of the Premises so taken or condemned provided that any Awards held by Beneficiary to be applied to the restoration, replacement or rebuilding of the Premises shall be so held without payment or allowance of interest thereon and shall be paid out from time to time upon compliance by Grantor with such provisions and requirements as may reasonably be imposed by Beneficiary. In the event that Grantor shall have received or shall possess all or any portion of such Awards, Grantor, upon demand from Beneficiary, shall pay to Beneficiary an amount equal to the amount so received by Grantor, to be applied as Beneficiary shall have the right pursuant to this subsection. Notwithstanding anything herein or at law or in equity to the contrary, none of the Awards paid to Beneficiary shall be deemed trust funds and Beneficiary shall be entitled to dispose of the same as provided in this Section.

(c) Grantor's Rights if No Event of Default; Application of Proceeds. Notwithstanding the foregoing, so long as no Event of Default shall have occurred and be continuing, in the event of a condemnation of all or any portion of the Premises in connection with which Awards shall have been paid, all such Awards received by the Beneficiary in connection with any such condemnation will be released by the Beneficiary to the Grantor for the restoration, replacement or rebuilding of the Premises, subject to such terms and conditions with respect to the release thereof as the Beneficiary may reasonably require. Upon the occurrence and during the continuance of any Event of Default or the actual or constructive total loss, all Awards in respect of the Premises shall be paid to the Beneficiary and shall, in the Beneficiary's sole discretion, (i) be released to the Grantor to be applied as set forth in the first sentence of this subsection (c) or (ii) be held as additional Collateral (as defined in the Security Agreement) under the Security Agreement or applied as specified in Section 3.09(b) hereof.

(d) Repair Uneconomic. Notwithstanding anything to the contrary in this Section 3.09, where a substantial portion of the Premises is condemned or taken and Grantor determines, consistent with a good faith business judgment, that (A) the portion of the Premises subject to such condemnation or taking is no longer desirable for the operation of Grantor's business or (B) it would be uneconomic for Grantor to replace or, if applicable, restore or repair such portion of the Premises, then Grantor shall not be required to replace, restore or repair such portion of the Premises, and Beneficiary shall be entitled to apply all Awards relating thereto in accordance with subsection (b) of this Section.

(e) Effect on the Secured Obligations. Notwithstanding any condemnation, taking or other proceeding referred to in this Section, Grantor shall continue to pay and perform the Secured Obligations as provided herein. Any reduction in the Secured Obligations resulting from such application shall be deemed to take effect only on the date of receipt by Beneficiary of such Awards and application against the Secured Obligations, provided that if prior to the receipt by Beneficiary of such Awards the Trust Estate shall have been sold on foreclosure of this Deed of Trust, or shall have been transferred by deed in lieu of foreclosure of this Deed of Trust, Beneficiary shall have the right to receive the same to the extent of any deficiency found to be due upon such sale, with legal interest thereon together with attorneys' fees and disbursements incurred by Beneficiary in connection with the collection thereof.

SECTION 3.10 Covenants Concerning the Leases. Grantor hereby represents, warrants, covenants and agrees that:

(a) If any of the Leases is rejected or disaffirmed by the lessor thereunder (or by any receiver, trustee, custodian or other party who succeeds to the rights of such lessor) pursuant to any bankruptcy, insolvency, reorganization, moratorium or similar law (any such law hereinafter collectively referred to as a "Bankruptcy Law"), Grantor covenants that, if permitted by law, it will not elect to treat such Lease as terminated under 11 U.S.C. 365(h) or any similar or successor law or right. Upon the occurrence and during the continuance of an Event of Default, Beneficiary shall have the sole and exclusive right to make or refrain from making any such election, and Grantor agrees that any such election, if made by Grantor other than in accordance with this subsection, shall be void and of no force or effect.

(b) If the lessor under any Lease (or any receiver, trustee, custodian or other party who succeeds to the rights of such lessor) rejects or disaffirms such Lease pursuant to any Bankruptcy Law and an Event of Default shall have occurred and be continuing, Beneficiary may elect to have Grantor remain in possession under any legal right Grantor may have to occupy the premises leased pursuant to such Lease, and upon such election (A) Grantor shall remain in such possession and shall perform all acts reasonably necessary for Grantor to retain its right to remain in such possession for the unexpired term of such Lease (including all renewals thereof), whether such acts are required under the then existing terms and provisions of such Lease or otherwise, and (B) all of the terms and provisions of this Deed of Trust and the lien created hereby shall remain in full force and effect and shall be extended automatically to such possession, occupancy and interest of Grantor.

(c) Grantor shall in good faith use commercially reasonable efforts to cause the lessor under each of the Leases to agree in writing that in the event of (A) the rejection or disaffirmance by Grantor (or by any receiver, trustee, custodian or other party who succeeds to the rights of Grantor) of such Lease pursuant to any Bankruptcy Law or (B) Grantor's inability to satisfy all conditions necessary to permit Grantor (or such receiver, trustee, custodian or other party) to assume and preserve the Lease pursuant to any Bankruptcy Law, such lessor will, at Beneficiary's request and option, (i) allow Beneficiary or its designee to cure any monetary defaults of Grantor and to become the lessee under such Lease and agree that Beneficiary or its designee shall have no responsibility for, and such lease will not be terminated by virtue of, any past non-monetary default of Grantor or enter into a new lease of the Leased Land with Beneficiary or a designee of Beneficiary for the remainder of the term (including renewals thereof) of such Lease (a "New Lease"), effective as of the date of such rejection or disaffirmance, at the rent and upon all the terms and provisions of such Lease, provided that any improvements to and any property on or related to the Leased Land shall immediately, upon execution and delivery to Beneficiary or its designee, vest in Beneficiary or such designee, as the case may be (subject to the reversionary interest of the lessor therein upon the expiration or termination of the New Lease). Grantor agrees to execute such other instruments as Beneficiary may request to confirm Beneficiary's or such designee's right, title and interest in and to the New Lease and any improvements and/or property appurtenant thereto.

(d) Grantor covenants that (A) it shall not reject or disaffirm any of the Leases without the prior consent of Beneficiary, such consent not to be unreasonably withheld, conditioned, or delayed, and (B) at the direction of Beneficiary it shall, in a timely fashion, (I) take all actions (including curing all existing defaults and providing assurance of future performance) as may be required to permit Grantor to assume any such Lease and (II) assume such Lease.

SECTION 3.11 Contest. Notwithstanding anything to the contrary contained herein, Grantor shall have the right to contest in good faith and at its own expense the validity or applicability of any duty or obligation described in Section 3.03, the validity of any lien, encumbrance, charge or security referred to in Section 3.06 and any Imposition imposed upon the Premises (a "Contest") by an appropriate legal proceeding which proceeding must operate to prevent the collection of such Impositions or other realization thereon and the sale or forfeiture of the Trust Estate or any part thereof to satisfy the same; provided, however, that if at any time payment of any Imposition which is the subject of such a Contest shall become necessary to prevent (i) the delivery of a tax deed conveying the Trust Estate because of nonpayment or (ii) the imposition of any civil or criminal penalty or liability on Beneficiary or the holders of the Secured Obligations, Grantor shall pay the same in sufficient time to avoid the delivery of such tax deed or the imposition of any such penalty or liability.

SECTION 3.12 Notice Limiting Amount. Grantor covenants that it will not, without the prior written consent of Beneficiary, file of record any notice limiting the maximum principal amount secured by this Deed of Trust.

SECTION 3.13 Compliance with Environmental Laws. Grantor acknowledges that it is responsible for compliance with all Environmental Laws in any and all jurisdictions in which the Grantor is or at any time may be doing business or the Trust Estate is located other than such noncompliance the consequences of which in the aggregate would have no Material Adverse Effect.

SECTION 3.14 Permits. To the best of Grantor's knowledge, and subject to the provisions of Section 6.1 of the Credit Agreement, Grantor has and will maintain all necessary certificates, licenses, authorizations, registrations, permits and/or approvals necessary for the operation, use and occupancy of the Premises, and the conduct of Grantor's business at the Premises other than to the extent the failure to have or maintain would, in the aggregate under the Credit Agreement, have a Material Adverse Effect and, promptly upon request by Beneficiary, Grantor shall deliver to Beneficiary copies of all of the same.

SECTION 3.15 Compliance With Applicable Laws. To the best of Grantor's knowledge and, subject to the provisions of Section 6.1 of the Credit Agreement, the Premises and the operation, use and occupancy thereof do not and will not violate in any material respect any present or future federal, state, municipal or local laws, ordinances, rules, regulations, requirements, judgments, decrees, determinations, awards or court orders, including all environmental laws and zoning ordinances (collectively, "Applicable Laws"), and Grantor shall cause the Premises and the operation, use and occupancy thereof to continue to be in material compliance with all Applicable Laws.

SECTION 3.16 Further Assurances. Grantor shall:

(a) at Grantor's sole cost and expense and at the request of Beneficiary, (i) promptly correct any defect or error which may be discovered in the contents of this Deed of Trust or in its execution, acknowledgment or recordation and (ii) promptly do, execute, acknowledge and deliver any and all such further acts, deeds, conveyances, mortgages, deeds of trust, trust deeds, assignments, estoppel certificates, financing statements and continuations thereof, notices of assignment, transfers, certificates, assurances and other instruments that may be necessary or desirable or that Beneficiary may reasonably request from time to time in order to carry out more effectively the purposes of this Deed of Trust, to subject to the lien and security interest hereby created any of Grantor's properties, rights or interests covered or now or hereafter intended to be covered hereby, to perfect and maintain said lien and security interest, and to better assure, convey, grant, assign, transfer and confirm unto Beneficiary the rights granted or now or hereafter intended to be granted to Beneficiary hereunder or under any other instrument executed in connection with this Deed of Trust or which Grantor may be or become bound to convey, mortgage or assign to Beneficiary in order to carry out the intention or facilitate the performance of the provisions of this Deed of Trust; and

(b) at the request of Beneficiary, promptly record and re-record, file and refile and register and re-register this Deed of Trust, any financing or continuation statements and every other instrument in addition or supplemental to any thereof that shall be required by any present or future law in order to perfect and maintain the validity, effectiveness and

priority of this Deed of Trust and the lien and security interest intended to be created hereby, or to subject after-acquired property of Grantor to such lien and security interest, in such manner and places and within such times as may be necessary to accomplish such purposes and to preserve and protect the rights and remedies of Beneficiary. Upon any failure by Grantor to do so after request by Beneficiary, Beneficiary may make, execute, record, file, re-record or refile any and all such mortgages, instruments, certificates and documents for and in the name of Grantor, and Grantor hereby irrevocably appoints Beneficiary the agent and attorney-in-fact of Grantor to do so, which appointment will terminate upon the satisfaction of record of this Deed of Trust. Grantor will furnish to Beneficiary evidence satisfactory to Beneficiary of every such recording, filing or registration. Beneficiary may, at Grantor's sole expense, file copies or reproductions of this instrument as financing statements at any time and from time to time at Beneficiary's option without further authorization from Grantor.

SECTION 3.17 Subordinate Leases.

(a) Assignment. Grantor hereby absolutely, presently and irrevocably bargains, sells, transfers, assigns and sets over to Beneficiary, as further security for the payment of the Secured Obligations, all of its right, title and interest in and to the Subordinate Leases and the Rents payable thereunder and all rights of Grantor thereunder and any and all deposits held as security under the Subordinate Leases, whether before or after foreclosure or during the full period of redemption, if any, and shall, upon demand, deliver to Beneficiary an executed counterpart of each Subordinate Lease. The assignment of the Subordinate Leases and Rents, and of the aforesaid rights with respect thereto, is intended to be and is an absolute, present and irrevocable assignment from Grantor to Beneficiary and not merely the passing of a security interest. Such assignment and grant shall continue in effect until the Secured Obligations are paid, the execution of this Deed of Trust constituting and evidencing the irrevocable consent of Grantor to the entry upon and taking possession of the Premises by Beneficiary pursuant to such grant, whether foreclosure has been instituted or not and without applying for a receiver. Until the occurrence of an Event of Default hereunder, Grantor shall be entitled to collect and receive the Rents and agrees to hold the same in trust. Such right of Grantor to collect and receive said Rents shall be automatically revoked upon the occurrence of an Event of Default and thereafter Beneficiary shall have the right and authority to exercise any of the rights or remedies referred to or set forth in Article VI. In addition, upon such an Event of Default, Grantor shall promptly pay to Beneficiary (i) all rent prepayments and security or other deposits paid to Grantor pursuant to any lease assigned hereunder and (ii) all charges for services or facilities or for escalation which were paid pursuant to any such lease to the extent allocable to any period from and after such Event of Default. Nothing contained in this Section 3.17(a) shall be construed to bind Beneficiary to the performance of any of the covenants, conditions or provisions contained in any Subordinate Lease or otherwise to impose any obligation on Beneficiary (including any liability under the covenant of quiet enjoyment contained in any Subordinate Lease or under any applicable law in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Deed of Trust and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Premises), except that Beneficiary shall be accountable for any money actually received pursuant to such assignment. Grantor hereby further grants to Beneficiary the right to notify the tenant under any Subordinate

Lease of the assignment thereof and, after the occurrence of an Event of Default hereunder (i) to demand that the tenant under any Subordinate Lease pay all amounts due thereunder directly to Beneficiary, (ii) to enter upon and take possession of the Premises for the purpose of collecting the Rents, (iii) to dispossess by the usual summary proceedings any tenant defaulting in the payment thereof, (iv) to let the Premises, or any part thereof, and (v) to apply the Rents, after payment of all necessary charges and expenses, on account of the Secured Obligations.

(b) Grantor's Obligation to Pay Rent. If Grantor is not required to surrender possession of the Premises hereunder in the event of any Event of Default, Grantor will pay monthly in advance to Beneficiary, on its entry into possession pursuant to Article VI, or to any receiver appointed to collect said Rents, the fair and reasonable rental value for the use and occupation of the Premises or such part thereof as may be in the possession of Grantor. Upon a default in any such payment, Grantor will vacate and surrender such possession to Beneficiary or such receiver, and, in default thereof, may be evicted by summary or any other available proceedings or actions.

(c) Grantor will (i) perform or cause to be performed all the lessor's material obligations under any Subordinate Lease, (ii) enforce (including the termination and cancellation of any Subordinate Lease, so long as the same is a bona fide enforcement of Grantor's right as lessor under any such Subordinate Lease and such termination or cancellation, either by itself or in the aggregate with other terminations and cancellations, will not diminish or impair the security of this Deed of Trust) the performance by the lessee under its respective Subordinate Lease of all of said lessee's obligations thereunder and (iii) give Beneficiary prompt notice and a copy of any notice of default, Event of Default, termination or cancellation sent or received by Grantor; but nothing contained herein shall preclude Grantor from modifying, supplementing or amending any existing Subordinate Lease or, subject to subsection (d)(i) hereof, preclude Grantor from entering into additional Subordinate Leases which may, from time to time, be modified, supplemented, amended, terminated or canceled by Grantor subject to the provisions of subsection (d) below.

(d) (i) Grantor will not, without Beneficiary's consent, such consent not to be unreasonably withheld, conditioned or delayed, (1) assign, mortgage, pledge or otherwise transfer, dispose of or encumber, whether by operation of law or otherwise, any Subordinate Lease or the Rents, (2) accept or permit the acceptance of a prepayment of any amounts payable under such Subordinate Lease for more than one month in advance of the due date therefore or, (3) enter into, amend, modify, cancel, terminate or accept a surrender of any Subordinate Lease covering a material portion of the Premises.

(ii) Supplementing the provisions of paragraph (i) of this subsection (d), if the lessee under any Subordinate Lease (or any receiver, trustee, custodian or other party who succeeds to the rights of any lessee) rejects or disaffirms such Subordinate Lease pursuant to any Bankruptcy Law, Grantor hereby assigns to Beneficiary the proceeds of any claims (including the right to retain or apply any security deposits) that Grantor may have against the lessee (or receiver, trustee, custodian or other party who succeeds to the rights of any lessee) and any guarantor of any of the Subordinate Leases, under any one or more of the Subordinate Leases or any guaranty thereof based upon (1) any breach by such lessee of the terms and provisions of the applicable Lease (including any claim that Grantor may have by

reason of a termination, rejection or disaffirmance of such Subordinate Lease pursuant to any Bankruptcy Law), and (2) the use and occupancy of the premises demised thereby, whether or not pursuant to the applicable Subordinate Lease (including any claim for use and occupancy arising under any Bankruptcy Law). Grantor, immediately upon obtaining knowledge of any such breach or use by any such lessee, will notify Beneficiary of any such breach or use. Beneficiary shall have the sole right to elect, either:

First: to proceed against such lessee or guarantor as if it were the named lessor thereunder, in Grantor's name or in Beneficiary's name as agent for Grantor and Grantor agrees to reasonably cooperate with Beneficiary in such action and shall execute any and all documents reasonably required in furtherance of such action; or

Second: to have Grantor proceed in Grantor's and Beneficiary's behalf in which event Beneficiary may participate in any such proceedings, and Grantor from time to time will deliver to Beneficiary all instruments reasonably requested by Beneficiary or as may be reasonably required to permit such participation. Grantor shall, at its expense, diligently prosecute any such proceedings, shall deliver to Beneficiary copies of all papers served in connection therewith and shall consult and cooperate with Beneficiary, its attorneys and agents, in the carrying on and defense of any such proceedings; provided that no settlement of any such proceedings shall be made by Grantor without Beneficiary's consent.

ARTICLE IV

ADDITIONAL ADVANCES; EXPENSES; INDEMNITY

SECTION 4.01 Additional Advances and Disbursements.

(a) Grantor agrees that, if Grantor shall default in any of its obligations hereunder, then Beneficiary shall have the right after 15 Business Days prior notice to Grantor to advance all or any part of amounts owing or to perform any or all required actions. No such advance or performance shall be deemed to have cured such default by Grantor or any Event of Default with respect thereto. All sums advanced and all expenses incurred by Beneficiary in connection with such advances or actions, and all other sums advanced or expenses incurred by Beneficiary hereunder or under applicable law (whether required or optional and whether indemnified hereunder or not) shall be part of the Secured Obligations, shall bear interest at the default rate as provided in the Credit Agreement (the "**Default Rate**") and shall be secured by this Deed of Trust. Grantor hereby appoints Beneficiary its true and lawful attorney-in-fact to make the payments and effect the performance contemplated by the aforesaid provisions in the name and on behalf of Grantor. This appointment, being coupled with an interest, shall be irrevocable until all of the Secured Obligations shall be fully satisfied, paid and performed and Beneficiary shall have no further Secured Obligations.

(b) This Deed of Trust secures all Secured Obligations of Grantor, a portion of which will be constituted by revolving credit indebtedness pursuant to which Grantor may borrow, repay and reborrow. This Deed of Trust secures not only initial advances of such revolving credit

indebtedness, but also all future advances of the revolving credit indebtedness and all additional indebtedness, whether direct, indirect, future, contingent or otherwise, connected with or arising out of the Credit Agreement, as the same may hereafter be amended.

SECTION 4.02 Other Expenses. Grantor will pay or, on demand, reimburse Beneficiary or any holder of the Secured Obligations for the payment of any and all costs or expenses (including attorneys' fees and disbursements) incurred in connection with (i) any default or Event of Default by Grantor hereunder, (ii) the exercise or enforcement by or on behalf of Beneficiary or any holder of the Secured Obligations of any of its rights or of Grantor's obligations under the Loan Documents or (iii) the granting, administration, enforcement and closing of the transactions contemplated hereunder.

SECTION 4.03 Interest After Default. If any payment due hereunder or under the other Loan Documents is not paid in full when due, whether by acceleration or otherwise, then the same shall bear interest hereunder at the Default Rate and such interest shall be added to and become a part of the Secured Obligations and shall be secured hereby to the extent provided herein.

SECTION 4.04 Indemnity.

Grantor agrees to defend, indemnify and hold harmless Beneficiary, the holders of the Secured Obligations and their respective officers, directors, employees, agents and shareholders (the "Indemnified Parties") from and against any and all losses, damages, claims, costs and expenses (including attorneys' fees and disbursements) which may be imposed on, incurred by or asserted against any of the Indemnified Parties in connection with any transaction in any way connected with the Trust Estate or the Credit Agreement, except to the extent any such loss, damage, claim, cost or expense is (x) the result of the willful misconduct or gross negligence of the Indemnified Party or (y) attributable solely to the acts of Lender or any other Indemnified Party following (i) foreclosure or acceptance of a deed in lieu of foreclosure by Lender or any Indemnified Party or (ii) the Lender or any other Indemnified Party having become the successor-in-interest to Grantor. Any amount payable under this section shall be deemed a demand obligation, shall be added to and become a part of the Secured Obligations and shall bear interest at the Default Rate.

ARTICLE V

SALE OR TRANSFER OF THE PREMISES

SECTION 5.01 Continuous Ownership. Grantor acknowledges that the continuous ownership of the Trust Estate by Grantor, except as otherwise expressly permitted in Section 7.05 of the Credit Agreement, is of a material nature to the transaction hereinabove described and Beneficiary's agreement to create the Secured Obligations. Without Beneficiary's prior written consent, Grantor will not, whether voluntarily or involuntarily (other than as result of transfer described in Section 3.09 hereof), (a) sell, grant, convey, assign or otherwise transfer, by operation of law or otherwise, (b) permit to be the subject of any transaction described in clause (a) above, (c) enter into an agreement for any transaction described in clause (a) above, or (d) grant an option which or take any action which pursuant to the terms of any agreement to which Grantor is a party

may result in any transaction described in clause (a) above of, the Trust Estate, or any legal, beneficial or equitable interest therein (the foregoing, collectively or severally, "Transfer"), other than any specific Transfers expressly permitted by Section 7.5 of the Credit Agreement. The provisions of this Section shall apply to each and every such Transfer of all or any portion of the Trust Estate or any legal or equitable interest therein, regardless whether or not Beneficiary has consented to, or waived by its action or inaction its rights hereunder with respect to any previous Transfer of all or any portion of the Trust Estate or any legal or equitable interest therein.

SECTION 5.02 Partial Releases. If a Transfer shall occur which is permitted by Section 7.5 of the Credit Agreement or shall be consented to by Beneficiary upon receipt of the Net Proceeds for the Trust Estate or portion thereof, Beneficiary shall deliver to Grantor (or as directed by Grantor) a release, in recordable form, of such Trust Estate from the Lien of this Deed of Trust.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01 Events of Default. The occurrence of an "Event of Default" under the Credit Agreement shall be an Event of Default hereunder and upon acceleration of the indebtedness evidenced by the Credit Agreement, all Secured Obligations shall immediately become due and payable without further notice to Grantor.

SECTION 6.02 Remedies. Upon the occurrence of any one or more Events of Default, Beneficiary may, in addition to any rights or remedies available to it hereunder or under the other Loan Documents and to the extent permitted by applicable law, take such action personally or by its agents or attorneys, with or without entry, and without notice, demand, presentment or protest (each and all of which are hereby waived), as it deems necessary or advisable to protect and enforce its rights and remedies against Grantor and in and to the Trust Estate, including the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Beneficiary may determine, in its sole discretion, without impairing or otherwise affecting its other rights or remedies:

(a) institute a proceeding or proceedings, judicial or otherwise, for the complete or partial foreclosure of this Deed of Trust under any applicable provision of law; or

(b) Give notice to Trustee, in accordance with applicable law, that Beneficiary wishes to exercise the power of sale granted by this Deed of Trust, as follows:

(i) Upon receipt of such notice from Beneficiary and at the direction of Beneficiary, Trustee shall cause to be recorded, published and delivered such notices of default and notices of sale as may then be required by law and by this Deed of Trust. Trustee shall, only at the direction of Beneficiary and without demand on Grantor, after such time as may then be required by law, and after recordation of such notice of default and after notice of sale having been given as required by law, sell Grantor's interest, in the Trust Estate at the time and place of sale fixed by it in such notice of sale, either as a whole, or in separate lots or parcels or items as Beneficiary

shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale, or as otherwise may then be required by law. Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold with general warranty of title by Grantor. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, Grantor, Trustee or Beneficiary, may purchase at such sale. Trustee or Beneficiary may sell not only the real property but also the personal property and other interests which are a part of the Trust Estate, or any part thereof, as a unit and as a part of a single sale, or may sell any part of the Trust Estate separately from the remainder of the Trust Estate. Trustee or Beneficiary shall not be required to take possession of any part of the Trust Estate or to have any of the personal property present at any sale of the Trust Estate. Trustee or Beneficiary may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Trustee or Beneficiary, including the posting of notices and the conduct of sale, but in the name and on behalf of Beneficiary. In the event any sale hereunder is not completed or is defective in the opinion of Trustee or Beneficiary, such sale shall not exhaust the power of sale hereunder, and Trustee or Beneficiary shall have the right to cause a subsequent sale or sales to be made hereunder until all of the Trust Estate has been lawfully sold.

(ii) As may be permitted by law, after deducting all costs, fees and expenses of Trustee and of this Deed of Trust, including costs or evidence of title in connection with the sale, Trustee or Beneficiary shall apply the proceeds of sale (i) first, to payment of all costs, fees and expenses, including attorneys' fees and expenses incurred by the Beneficiary in exercising the power of sale or foreclosing this Deed of Trust, (ii) second, to the payment of the Secured Obligations in such manner and order as Beneficiary may elect, and (iii) third, the remainder, if any, shall be paid to Grantor, or to Grantor's heirs, devisees, representatives, successors or assigns, or such other persons as may be entitled thereto.

(iii) Trustee may in the manner provided by law postpone sale of all or any portion of the Trust Estate; or

(c) institute an action, suit or proceeding in equity for the specific performance of any of the provisions contained in the Loan Documents; or

(d) as a matter of right and without regard to the sufficiency of the security for the payment of the Secured Obligations, without notice to Grantor and without any showing of insolvency, fraud, or mismanagement on the part of Grantor, and without the necessity of filing any judicial or other proceeding other than the proceeding for appointment of a receiver, exercise its right to the appointment of a receiver or receivers of the Trust Estate or any part thereof, and of the income, rents, issues and profits thereof, and Grantor hereby irrevocably consents to the appointment of a receiver or receivers; Grantor and any other Person so liable waives or shall be deemed to have waived such necessity and consents or

shall be deemed to have consented to the appointment of such receiver. Any receiver appointed pursuant to the provisions of this subsection shall have the usual powers and duties of receivers in such matters. Such receiver shall be vested with the fullest powers permitted under applicable law; or

(e) enter upon the Premises, and exclude Grantor and its agents and servants wholly therefrom, without liability for trespass, damages or otherwise, and take possession of all books, records and accounts relating thereto and all other Trust Estate, and Grantor agrees to surrender possession of the Trust Estate and of such books, records and accounts to Beneficiary on demand after the happening of any Event of Default; and having and holding the same may use, operate, manage, preserve, control and otherwise deal therewith and conduct the business thereof, either personally or by its superintendents, managers, agents, servants, attorneys or receivers, without interference from Grantor (including, without limitation, (i) entering into such contracts and taking such other action as Beneficiary deems appropriate to complete any construction on the Leased Land, and in connection with any such action Beneficiary may modify plans and specifications as Beneficiary deems appropriate; (ii) making, canceling, enforcing or modifying leases; (iii) obtaining and evicting tenants; (iv) fixing or modifying rents; (v) conducting the business of Grantor in its own name or in the name of Grantor; (vi) using any and all of Grantor's properties and facilities relating to the Premises; (vii) dealing with Grantor's creditors, debtors, tenants, lessees, agents, employees and other Persons (as defined in the Credit Agreement) having any relationship whatsoever with Grantor, and (viii) altering or amending any contracts between them, in any manner Beneficiary may determine); and upon each such entry and from time to time thereafter may, at the expense of Grantor and the Trust Estate, without interference by Grantor and as Beneficiary may deem advisable, (x) insure or reinsure the Premises, (y) make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements thereto and thereon and (z) in every such case in connection with the foregoing have the right to exercise all rights and powers of Grantor with respect to the Trust Estate, either in Grantor's name or otherwise; or

(f) with or without the entrance upon the Premises, collect, receive, sue for and recover in its own name all Rents and cash collateral derived from the Trust Estate, and after deducting therefrom all costs, expenses and liabilities of every character incurred by Beneficiary in collecting the same and in using, operating, managing, preserving and controlling the Trust Estate, and otherwise in exercising Beneficiary's rights under subsection (e) of this Section 6.02, including all amounts necessary to pay Impositions, insurance premiums and other charges in connection with the Premises, as well as compensation for the services of Beneficiary and their respective attorneys, agents and employees, to apply the remainder as provided in Section 6.05 hereof; or

(g) release any portion of the Trust Estate for such consideration as Beneficiary may require without, as to the remainder of the Trust Estate, in any way impairing or affecting the lien or priority of this Deed of Trust, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the Secured Obligations shall have been reduced by the actual monetary consideration, if any, received by Beneficiary

for such release and applied to the Secured Obligations, and may accept by assignment, pledge or otherwise any other property in place thereof as Beneficiary may require without being accountable for so doing to any other lienholder; or

(h) take all actions permitted under the Uniform Commercial Code in effect in the jurisdiction in which the Trust Estate is located; or

(i) take any other action, or pursue any other right or remedy, as Beneficiary may have under applicable law, and Grantor does hereby grant the same to Beneficiary.

In the event that Beneficiary shall exercise any of the rights or remedies set forth in subsections (e) and (f) of this Section 6.02, Beneficiary shall not be deemed to have entered upon or taken possession of the Trust Estate except upon the exercise of its option to do so, evidenced by its demand and overt act for such purpose, nor shall it be deemed a beneficiary or mortgagee in possession by reason of such entry or taking possession. Beneficiary shall not be liable to account for any action taken pursuant to any such exercise other than for Rents actually received by Beneficiary, nor liable for any loss sustained by Grantor resulting from any failure to let the Premises, or from any other act or omission of Beneficiary except to the extent such loss is caused by the willful misconduct or bad faith of Beneficiary.

SECTION 6.03 Rights Pertaining to Sales. Subject to the provisions or other requirements of law and except as otherwise provided herein, the following provisions shall apply to any sale or sales of all or any portion of the Trust Estate under or by virtue of this Article VI, whether made under the power of sale herein granted or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale:

(a) Beneficiary may conduct any number of sales from time to time. The power of sale set forth in Section 6.02(b) hereof shall not be exhausted by any one or more such sales as to any part of the Trust Estate which shall not have been sold, nor by any sale which is not completed or is defective in Beneficiary's opinion, until the Secured Obligations shall have been paid in full.

(b) Any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice. Without limiting the foregoing, in case Beneficiary shall have proceeded to enforce any right or remedy under this Deed of Trust by receiver, entry or otherwise, and such proceedings have been discontinued or abandoned for any such reason or shall have been determined adversely to Beneficiary, then in every such case Grantor and Beneficiary shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Beneficiary shall continue as if no such proceeding had been taken.

(c) After each sale, Beneficiary or an officer of any court empowered to do so shall execute and deliver to the purchaser or purchasers at such sale a good and sufficient instrument or instruments granting, conveying, assigning and transferring all right, title and interest of Grantor in and to the property and rights sold and shall receive the proceeds of said sale or sales and apply the same as herein provided. Beneficiary is hereby appointed the

true and lawful attorney-in-fact of Grantor, which appointment is irrevocable and shall be deemed to be coupled with an interest, in Grantor's name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the property and rights so sold, and for that purpose Beneficiary may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with like power, Grantor hereby ratifying and confirming all that said attorney or such substitute or substitutes shall lawfully do by virtue thereof. Nevertheless, Grantor, if requested by Beneficiary, shall ratify and confirm any such sale or sales by executing and delivering to Beneficiary or such purchaser or purchasers all such instruments as may be advisable, in Beneficiary's judgment, for the purposes as may be designated in such request.

(d) Any and all statements of fact or other recitals made in any of the instruments referred to in subsection (c) of this Section 6.03 given by Beneficiary as to nonpayment of the Secured Obligations, or as to the occurrence of any Event of Default, or as to Beneficiary having declared all or any of the Secured Obligations to be due and payable, or as to the request to sell, or as to notice of time, place and terms of sale and of the property or rights to be sold having been duly given, or as to any other act or thing having been duly done by Grantor or Beneficiary shall be taken as conclusive and binding against all persons as to evidence of the truth of the facts so stated and recited. Beneficiary may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale so held, including the posting of notices and the conduct of sale.

(e) The receipt of Beneficiary of the purchase money paid at any such sale, or the receipt of any other person authorized to receive the same, shall be sufficient discharge therefor to any purchaser of any property or rights sold as aforesaid, and no such purchaser, or its representatives, grantees or assigns, after paying such purchase price and receiving such receipt, shall be bound to see to the application of such purchase price or any part thereof upon or for any trust or purpose of this Deed of Trust or, in any manner whatsoever, be answerable for any loss, misapplication or nonapplication of any such purchase money, or part thereof, or be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale.

(f) Any such sale or sales shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Grantor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Grantor and any and all persons claiming or who may claim the same, or any part thereof or any interest therein, by, through or under Grantor to the fullest extent permitted by applicable law.

(g) Upon any such sale or sales, Beneficiary may bid for and acquire the Trust Estate and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting against the Secured Obligations the amount of the bid made therefor, after deducting therefrom the expenses of the sale, the cost of any enforcement proceeding hereunder, and any other sums which Beneficiary is authorized to deduct under the terms

hereof and to the extent permitted by applicable law, to the extent necessary to satisfy such bid.

(h) In the event that Grantor, or any person claiming by, through or under Grantor, shall transfer or refuse or fail to surrender possession of the Trust Estate after any sale thereof, then Grantor, or such person, shall be deemed a tenant at sufferance of the purchaser at such sale, subject to eviction by means of forcible entry and unlawful detainer proceedings, or subject to any other right or remedy available hereunder or under applicable law.

(i) Upon any such sale, it shall not be necessary for Beneficiary or any public officer acting under execution or order of court to have present or constructively in its possession any of the Trust Estate.

(j) In the event a foreclosure hereunder shall be commenced by Beneficiary, Beneficiary may at any time before the sale of the Trust Estate abandon the sale, and may institute suit for the collection of the Secured Obligations and for the foreclosure of this Deed of Trust, or in the event that Beneficiary should institute a suit for collection of the Secured Obligations, and for the foreclosure of this Deed of Trust, Beneficiary may at any time before the entry of final judgment in said suit dismiss the same and require Beneficiary to sell the Trust Estate in accordance with the provisions of this Deed of Trust.

SECTION 6.04 Expenses. In any proceeding, judicial or otherwise, to foreclose this Deed of Trust or enforce any other remedy of Beneficiary under the Loan Documents, there shall be allowed and included as an addition to and a part of the Secured Obligations in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred in connection with the exercise by Beneficiary of any of its rights and remedies provided or referred to in Section 6.02, or any comparable provision of any other Loan Document, together with interest thereon at the rate and as provided in the Credit Agreement, and the same shall be part of the Secured Obligations and shall be secured by this Deed of Trust.

SECTION 6.05 Application of Proceeds. The purchase money, proceeds or avails of any sale referred to in Section 6.02, together with any other sums which may be held by Beneficiary hereunder, whether under the provisions of this Article VI or otherwise, shall, except as herein expressly provided to the contrary, be applied as follows:

First: To the payment of the costs and expenses of any such sale, including compensation to Beneficiary, their agents and counsel, and of any judicial proceeding wherein the same may be made, and of all expenses, liabilities and advances made or incurred by Beneficiary hereunder, together with interest thereon as provided herein, and all Impositions and other charges, except any Impositions or other charges subject to which the Trust Estate shall have been sold.

Second: To the payment in full of the monetary Secured Obligations (including principal, interest, premium and fees) in such order as Beneficiary may elect.

Third: To the payment of any other sums secured hereunder or required to be paid by Grantor pursuant to any provision of the Loan Documents.

Fourth: To the extent permitted by applicable law, to be set aside by Beneficiary as adequate security in its judgment for the payment of sums which would have been paid by application under clauses First through Third above to Beneficiary, arising out of an obligation or liability with respect to which Grantor has agreed to indemnify Beneficiary, but which sums are not yet due and payable or liquidated.

Fifth: To the payment of any withholding tax requirements of the Foreign Investment in Real Property Tax Act of 1980, as amended.

Sixth: To the payment of the surplus, if any, to the Grantor or whomsoever else may be lawfully entitled to receive the same.

SECTION 6.06 Additional Provisions as to Remedies.

(a) No delay or omission by Beneficiary to exercise any right or remedy hereunder upon any default or Event of Default shall impair such exercise, or be construed to be a waiver of any such default or Event of Default.

(b) The failure, refusal or waiver (by consent, waiver or otherwise) of Beneficiary to assert any right or remedy hereunder upon any default or Event of Default or other occurrence shall not be construed as waiving such right or remedy upon any other or subsequent default or Event of Default or other occurrence.

(c) Beneficiary shall have no obligation to pursue any rights or remedies it may have under any other agreement prior to pursuing its rights or remedies hereunder or under the other Loan Documents.

(d) Acceptance of any payment after the occurrence of any default or Event of Default shall not be deemed a waiver or a cure of such default or Event of Default, and acceptance of any payment less than any amount then due shall be deemed an acceptance on account only.

(e) In the event that Beneficiary shall have proceeded to enforce any right or remedy hereunder by foreclosure, sale, entry or otherwise, and such proceeding shall be discontinued, abandoned or determined adversely for any reason, then Grantor and Beneficiary shall be restored to their former positions and rights hereunder with respect to the Trust Estate, subject to the lien hereof.

(f) Each right of Beneficiary provided for in this Deed of Trust shall be cumulative and shall be in addition to every other right provided for in this Deed of Trust or now or hereafter existing at law or in equity, by statute or otherwise, and the exercise by Beneficiary of any one or more of such rights shall not preclude the simultaneous or later exercise by Beneficiary of any other such right.

SECTION 6.07 Waiver of Rights and Defenses. To the full extent Grantor may lawfully do so, Grantor agrees with Beneficiary as follows:

(a) Grantor will not, at any time, insist on, plead, claim or take the benefit or advantage of any statute or rule of law now or hereafter in force providing for any appraisement, valuation, stay, extension, moratorium, redemption or reinstatement, or of any statute of limitations, and Grantor, for itself and its heirs, devisees, representatives, successors and assigns, and for any and all Persons ever claiming an interest in the Trust Estate (other than Beneficiary), hereby, to the extent permitted by applicable law, waives and releases all rights of redemption, reinstatement, valuation, appraisement, and notice of intention to mature or declare due the whole of the Secured Obligations and all rights to a marshaling of the assets of Grantor, including the Trust Estate, or to a sale in inverse order of alienation, in the event of foreclosure of the liens and security interests created hereunder.

(b) Grantor shall not have or assert any right under any statute or rule of law pertaining to any of the matters set forth in subsection (a) of this Section 6.07, to the administration of estates of decedents or to any other matters whatsoever to defeat, reduce or affect any of the rights or remedies of Beneficiary hereunder, including the rights of Beneficiary hereunder to a sale of the Trust Estate for the collection of the Secured Obligations without any prior or different resort for collection, or to the payment of the Secured Obligations out of the proceeds of sale of the Trust Estate in preference to any other Person.

(c) If any statute or rule of law referred to in this Section 6.07 and now in force, of which Grantor or any of its representatives, successors or assigns and such other Persons claiming any interest in the Trust Estate might take advantage despite this Section 6.07, shall hereafter be repealed or cease to be in force, such statute or rule of law shall not thereafter be deemed to preclude the application of this Section 6.07.

(d) Grantor shall not be relieved of its obligation to pay the Secured Obligations at the time and in the manner provided in the Loan Documents, nor shall the lien or priority of this Deed of Trust or any other Loan Document be impaired by any of the following actions, non-actions or indulgences by Beneficiary, each of which actions, non-actions or indulgences Beneficiary may, in its discretion, except as otherwise specifically provided herein, take or refrain from taking:

(i) any failure or refusal by Beneficiary to comply with any request by Grantor (A) to consent to any action by Grantor or (B) to take any action to foreclose this Deed of Trust or otherwise enforce any of the provisions of the Loan Documents;

(ii) any release, regardless of consideration, of the whole or any part of the Trust Estate or any other security for the Secured Obligations, or any Person liable for payment of the Secured Obligations;

(iii) any waiver by Beneficiary of compliance by Grantor with any provision of the Loan Documents, or consent by Beneficiary to the performance by

Grantor of any action which would otherwise be prohibited thereunder, or to the failure by Grantor to take any action which would otherwise be required thereunder; and

(iv) any agreement or stipulation between Beneficiary and Grantor, or, with or without Grantor's consent, between Beneficiary and any subsequent owner or owners of the Trust Estate or any other security for the Secured Obligations, renewing, extending or modifying the time of payment or the terms of the Loan Documents (including a modification of any interest rate), and in any such event Grantor shall continue to be obligated to pay the Secured Obligations at the time and in the manner provided in the Loan Documents, as so renewed, extended or modified, unless expressly released and discharged by Beneficiary.

(e) Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the Trust Estate, Beneficiary may release any Person at any time liable for the payment of the Secured Obligations or any portion thereof or any part of the security held for the Secured Obligations and may extend the time of payment or otherwise modify the terms of the Loan Documents, including a modification of the interest rates payable on the principal balance of the Notes without in any manner impairing or affecting this Deed of Trust or the lien thereof or the priority of this Deed of Trust, as so extended and modified, as security for the Secured Obligations over any such subordinate lien, encumbrance, right, title or interest. Beneficiary may resort for the payment of the Secured Obligations to any other security held by Beneficiary in such order and manner as Beneficiary, in its discretion, may elect. Beneficiary may take or cause to be taken action to recover the Secured Obligations, or any portion thereof, or to enforce any provision of the Loan Documents without prejudice to the right of Beneficiary thereafter to foreclose or cause to be foreclosed this Deed of Trust. Beneficiary shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law or equity. The rights of Beneficiary under this Deed of Trust shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Beneficiary shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

(f) Grantor hereby waives any defense to the recovery by Beneficiary hereunder against Grantor or the Trust Estate of any deficiency after a nonjudicial sale. Without limiting the foregoing, Grantor waives any defense arising out of any such nonjudicial sale even though such sale operates to impair or extinguish any right of reimbursement or subrogation or any other right or remedy of Grantor against Borrower or any subsidiary of Borrower or against any collateral security.

If an Event of Default shall have occurred and be continuing, Grantor hereby irrevocably and unconditionally waives and releases: (i) all benefits that might accrue to Grantor by virtue of any present or future law exempting the Premises from attachment, levy or sale on execution or providing for any appraisalment, valuation, stay of execution, exemption from civil process,

redemption, or extension of time for payment; and (ii) any right to a marshaling of assets or a sale in inverse order of alienation.

ARTICLE VII

RELEASE OF LIEN

SECTION 7.01 Release of Lien. If all of the Secured Obligations shall be fully satisfied, paid and performed, then and in that event only all rights and obligations hereunder shall terminate. In such event Beneficiary shall, at the request of Grantor, deliver to Grantor, in recordable form, all such documents as shall be necessary to release the Trust Estate from the liens, security interests, conveyances and assignments created or evidenced hereby.

ARTICLE VIII

ADDITIONAL PROVISIONS

SECTION 8.01 Provisions as to Payments, Advances. To the extent that any part of the Secured Obligations is used to pay indebtedness secured by any Permitted Encumbrance or other outstanding lien, security interest, charge or prior encumbrance against the Trust Estate or to pay in whole or in part the purchase price therefor, Beneficiary shall be subrogated to any and all rights, security interests and liens held by any owner or holder of the same, whether or not the same are released. Grantor agrees that, in consideration of such payment by Beneficiary, effective upon such payment Grantor shall and hereby does waive and release all demands, defenses and causes of action for offsets and payments with respect to the same.

SECTION 8.02 Separability. If all or any portion of any provision of this Deed of Trust or any other Loan Documents shall be held to be invalid, illegal or unenforceable in any respect or in any jurisdiction, then such invalidity, illegality or unenforceability shall not affect any other provision hereof or thereof, and such provision shall be limited and construed in such jurisdiction as if such invalid, illegal or unenforceable provision or portion thereof were not contained herein or therein.

SECTION 8.03 Notices.

(a) Any notice, demand, consent, approval, direction, agreement or other communication required or permitted hereunder shall be in writing and shall be validly given if delivered in accordance with Section 10.2 of the Credit Agreement to the parties hereto at the addresses set forth on the first page of this Deed of Trust.

(b) In the event that ownership of the Trust Estate becomes vested in a person other than Grantor, Beneficiary may, without notice to Grantor, deal with such successor or successors in interest with reference to this Deed of Trust or the Secured Obligations in the same manner as with Grantor, without in any way vitiating or discharging Grantor's liability hereunder or for the payment of the Secured Obligations or being deemed a consent to such vesting.

SECTION 8.04 [Intentionally Omitted]SECTION 8.05 Continuation of Lease.

(a) Upon the foreclosure of the lien created hereby on the Trust Estate, as herein provided, any leases then existing shall not be destroyed or terminated as a result of such foreclosure unless Beneficiary or any purchaser at a foreclosure sale shall so elect by notice to the lessee in question.

(b) If both the lessor's and the lessee's interest under any lease which constitutes a part of the Premises shall at any time become vested in any one person, this Deed of Trust and the lien and security interest created hereby shall not be destroyed or terminated by the application of the doctrine of merger and, in such event, Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary hereunder as to each separate estate.

(c) In the event that Grantor acquires the fee or any other interest in the Leased Land, such interest shall, immediately upon such acquisition, become subject to the lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Grantor and specifically described herein, without need for the delivery and/or recording of a supplement to this Deed of Trust or any other instrument.

SECTION 8.06 Applicable Law. This Deed of Trust shall be governed by, and construed in accordance with, the internal law of the State in which the Trust Estate is located without regard to principles of conflicts of laws, except that the internal laws of the State of New York (without regard to principles of conflicts of laws) shall govern (i) those terms and conditions contained in the Credit Agreement which are incorporated by reference herein and (ii) the resolution of issues arising under the Credit Agreement to the extent that such resolution is necessary to the interpretation of this Deed of Trust.

SECTION 8.07 Sole Discretion of Beneficiary.

(a) Whenever Beneficiary's judgment, consent or approval is required hereunder for any matter, or either shall have an option or election hereunder, such judgment, the decision whether or not to consent to or approve the same or the exercise of such option or election shall be in the sole discretion of Beneficiary except as specifically noted herein.

(b) Notwithstanding anything contained herein to the contrary, in the event that Beneficiary fails or refuses to grant consent or approval when required hereunder for any matter, the parties agree that the remedy of specific performance shall be the sole remedy of Grantor with respect to such actions and Grantor hereby waives all claims for damages with respect thereto.

SECTION 8.08 Provisions as to Covenants and Agreements. All of Grantor's covenants and agreements hereunder shall run with the land and time is of the essence with respect thereto.

SECTION 8.09 Matters to be in Writing. This Deed of Trust cannot be altered, amended, modified, terminated, waived, released or discharged except in a writing signed by the party against whom enforcement is sought.

SECTION 8.10 Submission to Jurisdiction.

(a) Any legal action or proceeding with respect to this Deed of Trust or any document related thereto may be brought in the Bankruptcy Court or the courts of the State of New York or of the United States of America for the Southern District of New York, and, by execution and delivery of this Deed of Trust, Grantor hereby accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. The parties hereto hereby irrevocably waive any objection, including, without limitation, any objection to the laying of venue or based on the grounds of forum non conveniens, which any of them may now or hereafter have to the bringing of any such action or proceeding in such respective jurisdictions.

(b) Grantor irrevocably consents to the service of process of any of the aforesaid courts in any such action or proceeding by the mailing of a copy thereof by registered or certified mail, postage prepaid, to Grantor at its address provided herein.

(c) Nothing contained in this Section 8.10 shall affect the right of the Beneficiary to serve process or to bring any action or proceeding in any matter permitted by law against the undersigned or its property arising out of or relating to the Secured Obligations (an "Action") in the courts of other jurisdictions.

SECTION 8.11 Construction of Provisions. The following rules of construction shall be applicable for all purposes of this Deed of Trust and all documents or instruments supplemental hereto, unless the context otherwise requires:

(a) All references herein to numbered Articles or Sections or to lettered Exhibits are references to the Articles and Sections hereof and the Exhibits annexed to this Deed of Trust, unless expressly otherwise designated in context. All Article, Section and Exhibit captions herein are used for reference only and in no way limit or describe the scope or intent of, or in any way affect, this Deed of Trust.

(b) The terms "include", "including" and similar terms shall be construed as if followed by the phrase "without being limited to".

(c) The terms "Leased Land", "Leasehold Estate", "Improvements", "Equipment", "Trust Estate" and "Premises" shall be construed as if followed by the phrase "or any part thereof".

(d) The term "Secured Obligations" shall be construed as if followed by the phrase "or any other sums secured hereby, or any part thereof".

(e) Words of masculine, feminine or neuter gender shall mean and include the correlative words of the other genders, and words importing the singular number shall mean and include the plural number, and vice versa.

(f) The term "person" shall include natural persons, firms, partnerships, corporations and any other public and private legal entities.

(g) The term "provisions", when used with respect hereto or to any other document or instrument, shall be construed as if preceded by the phrase "terms, covenants, agreements, requirements, conditions and/or".

(h) The cover page of and all recitals set forth in, and all Exhibits to, this Deed of Trust are hereby incorporated in this Deed of Trust.

(i) All obligations of Grantor hereunder shall be performed and satisfied by or on behalf of Grantor at Grantor's sole cost and expense.

(j) The term "lease" shall mean "tenancy, subtenancy, lease or sublease", the term "lessor" shall mean "landlord, sublandlord, lessor and sublessor" and the term "lessee" shall mean "tenant, subtenant, lessee and sublessee".

(k) No inference in favor of or against any party shall be drawn from the fact that such party has drafted any portion hereof.

SECTION 8.12 Successors and Assigns. The provisions hereof shall be binding upon Grantor and the heirs, devisees, representatives, successors and permitted assigns of Grantor, including successors in interest of Grantor in and to all or any part of the Trust Estate, and shall inure to the benefit of Beneficiary, the holders of the Secured Obligations and their respective heirs, successors, legal representatives, substitutes and assigns. Where two or more persons have executed this Deed of Trust, the obligations of such persons shall be joint and several.

SECTION 8.13 Counterparts. This Deed of Trust may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

SECTION 8.14 Agency. Beneficiary may deal with the Trust Estate and may issue any release to be given hereunder pursuant to Section 5.02 or 7.01 or grant any consent or approval or take any other action required or permitted hereunder, without reference to or the approval of the holders of the Secured Obligations and any third party (including any title insurance company issuing a title insurance policy, or a commitment to issue a title insurance policy, in connection with the Trust Estate) may conclusively rely on the due authority of Beneficiary to do any or all of the foregoing.

SECTION 8.15 The Security Agreement and other Loan Documents. In the event that a valid and enforceable security interest has been created in any of the Trust Estate under the terms of the [Security Agreement] (as defined in the Credit Agreement) and the terms of the [Security

Agreement] are inconsistent with the terms of this Deed of Trust, then with respect to such Trust Estate, the terms of the [Security Agreement] shall be controlling in the case of Equipment and proceeds of insurance policies and the terms of this Deed of Trust shall be controlling in all other cases. With respect to any other Loan Document (other than the Credit Agreement), in the event of a conflict between the provisions hereof and the provisions of such other Loan Document as they relate to the Trust Estate, the provisions of this Deed of Trust shall control. In the event of a conflict between the provisions hereof and the provisions of the Credit Agreement, the provisions of the Credit Agreement shall control.

SECTION 8.16 No Merger. The assignments by Grantor in favor of Beneficiary herein contained and the obligations of Grantor hereunder to (i) maintain the insurance required to be maintained by Grantor hereunder and to pay all premiums in respect thereof, (ii) to pay all Impositions, (iii) reimburse Beneficiary for all sums expended by Beneficiary pursuant to this Deed of Trust to protect the lien of this Deed of Trust and to prevent waste to the Trust Estate and (iv) to pay interest at the Default Rate on the aforementioned sums from the date due until paid in full shall not be merged into any judgment of foreclosure and shall survive any such judgment.

SECTION 8.17 WAIVER OF JURY TRIAL. GRANTOR AND BENEFICIARY DO EACH HEREBY KNOWINGLY, VOLUNTARILY, UNCONDITIONALLY, IRREVOCABLY AND INTENTIONALLY FOREVER WAIVE THE RIGHT TO A TRIAL BY JURY IN EVERY JURISDICTION IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY GRANTOR OR BENEFICIARY AGAINST THE OTHER OR THEIR RESPECTIVE SUCCESSOR OR ASSIGNS IN RESPECT OF ANY MATTER ARISING OUT OF, UNDER OR CONNECTED WITH (INCLUDING, WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS DEED OF TRUST OR THE OBLIGATIONS SECURED HEREBY, AND ANY CLAIMS ASSERTING THAT THE NOTE OR THE LOAN SECURED HEREBY WAS FRAUDULENTLY INDUCED OR OTHERWISE VOID OR VOIDABLE) IN ANY MANNER WHATSOEVER THIS DEED OF TRUST, THE TRUST ESTATE, OR ANY OF THE OTHER LOAN DOCUMENTS, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON OR ANY EXERCISE BY ANY PARTY OF THEIR RESPECTIVE RIGHTS UNDER THE LOAN DOCUMENTS. THIS WAIVER OF THE RIGHT TO A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE BENEFICIARY TO ADVANCE THE SUMS AND TO MAKE THE LOAN SECURED HEREBY.

SECTION 8.18 WAIVER OF GRANTOR'S RIGHTS. BY EXECUTION OF THIS DEED OF TRUST, GRANTOR EXPRESSLY: (A) ACKNOWLEDGES THE RIGHT OF BENEFICIARY TO ACCELERATE THE INDEBTEDNESS EVIDENCED BY THE LOAN DOCUMENTS AND ANY OTHER INDEBTEDNESS AND THE POWER OF ATTORNEY GIVEN HEREIN TO BENEFICIARY TO SELL THE PREMISES BY NONJUDICIAL FORECLOSURE UPON DEFAULT BY GRANTOR WITHOUT ANY JUDICIAL HEARING AND WITHOUT ANY NOTICE OTHER THAN SUCH NOTICE (IF ANY) AS IS SPECIFICALLY REQUIRED TO BE GIVEN UNDER THE PROVISIONS OF THIS DEED OF TRUST; (B) WAIVES ANY AND ALL RIGHTS WHICH GRANTOR MAY HAVE UNDER THE CONSTITUTION OF THE UNITED STATES (INCLUDING, WITHOUT LIMITATION, THE

FIFTH AND FOURTEENTH AMENDMENTS THEREOF), THE VARIOUS PROVISIONS OF THE CONSTITUTIONS OF THE SEVERAL STATES, OR BY REASON OF ANY OTHER APPLICABLE LAW, (1) TO NOTICE AND TO JUDICIAL HEARING PRIOR TO THE EXERCISE BY BENEFICIARY OF ANY RIGHT OR REMEDY HEREIN PROVIDED TO BENEFICIARY, EXCEPT SUCH NOTICE (IF ANY) AS IS SPECIFICALLY REQUIRED TO BE GIVEN UNDER THE PROVISIONS OF THIS DEED OF TRUST AND (2) CONCERNING THE APPLICATION, RIGHTS OR BENEFITS OF ANY STATUTE OF LIMITATION OR ANY MORATORIUM, REINSTATEMENT, MARSHALING, FORBEARANCE, APPRAISEMENT, VALUATION, STAY, EXTENSION, HOMESTEAD, EXEMPTION OR REDEMPTION LAWS; AND (C) ACKNOWLEDGES THAT ALL WAIVERS OF THE AFORESAID RIGHTS OF GRANTOR HAVE BEEN MADE KNOWINGLY, INTENTIONALLY AND WILLINGLY BY GRANTOR AS PART OF A BARGAINED FOR LOAN TRANSACTION AND THAT THIS DEED OF TRUST IS VALID AND ENFORCEABLE BY BENEFICIARY AGAINST GRANTOR IN ACCORDANCE WITH ALL THE TERMS AND CONDITIONS HEREOF.

SECTION 8.19 Cross-Collateralization. Grantor acknowledges that the Secured Obligations (in whole or in part) are secured by, among other things, this Deed of Trust together with additional mortgages, deeds of trust or similar security instruments (together with their respective documents securing or evidencing the Secured Obligations, the "*Additional Mortgages*") and encumbering the additional properties (the "*Additional Properties*"). Upon the occurrence of an Event of Default, or as otherwise provided in the Loan Documents, Beneficiary shall have the right to institute a proceeding or proceedings for the total or partial foreclosure of this Deed of Trust and any or all of the Additional Mortgages whether by court action, power of sale or otherwise, under any applicable provision of law, for all of the Secured Obligations or the portion of the Secured Obligations subject to the respective Additional Mortgages, as the case may be, and the lien and the security interest created by the Additional Mortgages shall continue in full force and effect without loss of priority as a lien and security instrument securing the payment of that portion of the Secured Obligations then due and payable but still outstanding. Grantor acknowledges and agrees that the Trust Estate and the Additional Properties are located in one or more States and counties, and therefore Beneficiary shall be permitted, to enforce payment of the Secured Obligations and the performance of any term, covenant or condition of the Guaranties, this Deed of Trust or the Additional Mortgages and exercise any and all rights and remedies under the Security Agreement this Deed of Trust or the Additional Mortgages, or as provided by law or at equity, by one or more proceedings, whether contemporaneous, consecutive or both, to be determined by Beneficiary, in its sole discretion, in any one or more of the States or counties in which the Trust Estate or any of the Additional Properties is located. Neither the acceptance of this Deed of Trust, the Loan Documents or the Additional Mortgages nor the enforcement thereof in any one State or county, whether by court action, foreclosure, power of sale or otherwise, shall prejudice or in any way limit or preclude enforcement by court action, foreclosure, power of sale or otherwise, of this Deed of Trust, the Loan Documents or any Additional Mortgages through one or more additional proceedings in that State or county or in any other State or county.

SECTION 8.20 Under Oregon law, most agreements, promises and commitments made by us after October 3, 1989, concerning loans and other credit extensions

which are not for personal, family or household purposes or secured solely by the borrower's residence must be in writing, express consideration and be signed by us to be enforceable.

ARTICLE IX

FIXTURE FILING

SECTION 9.01 Fixture Filing. A portion of the Trust Estate is or is to become fixtures upon the Premises, and Grantor hereby expressly grants to Beneficiary a security interest therein. To the extent permitted by applicable law, Grantor covenants and agrees that the filing of this Deed of Trust in the real estate records of the county in which the Trust Estate is located shall also operate from the time of filing as a fixture filing with respect to all goods constituting part of the Trust Estate which are or are to become fixtures related to the real estate described herein. For such purpose, the following information is set forth:

- (a) Name and Address of Grantor: Wheeling-Pittsburgh Corporation, 1134 Market Street, Wheeling, West Virginia 26003.
- (b) Name and Address of Secured Party: Citicorp USA, Inc., 399 Park Avenue, New York, New York 10043.
- (c) This document covers goods which are or are to become fixtures.
- (d) The name of the record owner is shown on Exhibit A-2 attached hereto and made a part hereof.
- (e) Grantor's tax identification number is 55-0703273.

ARTICLE X

THE TRUSTEE

SECTION 10.01 Rights and Obligations of Trustee. Trustee accepts the trusts hereby created and agrees to perform its duties herein for the benefit of Beneficiary.

SECTION 10.02 Resignation of Trustee. Trustee may resign and be discharged of the trusts by giving notice thereof to Beneficiary and Grantor (or any subsequent owner of Grantor's interest in the Trust Estate) specifying the date (not less than ninety (90) days after such notice) when such resignation shall take effect. Such resignation shall take effect on the earlier of the date so specified or the appointment and acceptance of a successor trustee pursuant to Section 10.03 of this Deed of Trust.

SECTION 10.03 Successor Trustee. Beneficiary may appoint a substitute Trustee: (a) if Trustee herein named or any substitute Trustee shall die, resign, or fail, refuse or be unable, for any reason, to make any such sale or to perform any of the trusts herein declared; or (b) at the option of

Beneficiary from time to time as often and whenever Beneficiary prefers and with or without any reason or cause. Each appointment shall be in writing, but without the necessity of recordation, notice to Grantor, or any other action or formality. Each substitute trustee so appointed shall thereupon by such appointment become Trustee and succeed to all the estates, titles, rights, powers, trusts and duties of predecessor Trustee. Any such appointment may be executed by Beneficiary or any authorized representative of Beneficiary, and such appointment shall be presumed conclusively to have been executed with due and proper authority. Without limiting the generality of the foregoing, such appointment may be executed in its behalf by any officer of Beneficiary and shall be presumed conclusively to have been executed with due and proper authority without necessity of proof of any action by the board of directors or any superior officer. Wherever herein the word "Trustee" is used, the same shall mean the duly appointed trustee hereunder at the time in question. Trustee may resign by written notice to Beneficiary.

As used in this Section 10.03, Grantor shall mean and include any subsequent owner of Grantor's interest in the Trust Estate.

SECTION 10.04 Separate and Co-Trustees.

(a) If Trustee deems it to be necessary or prudent, Trustee shall have the power to appoint one or more persons to act as separate trustees or co-trustees, jointly with Trustee, of any of the property subject to the lien hereof, and any such person shall be such separate trustee or co-trustee, with such powers and duties as shall be specified in such instrument.

(b) Such separate trustee or co-trustee, upon acceptance of such trust, shall be vested with the estates or property specified in such instrument, either jointly with Trustee, or separately as may be provided therein, such to all the trusts, conditions and provisions of Deed of Trust; and every such instrument shall be filed with Trustee.


SECTION 10.05 Liability of Trustee. TRUSTEE SHALL NOT BE LIABLE FOR ANY ERROR OF JUDGMENT OR ACT DONE BY TRUSTEE IN GOOD FAITH, OR BE OTHERWISE RESPONSIBLE OR ACCOUNTABLE UNDER ANY CIRCUMSTANCES WHATSOEVER (EXPRESSLY INCLUDING FOR TRUSTEE'S NEGLIGENCE), EXCEPT FOR TRUSTEE'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. TRUSTEE SHALL HAVE THE RIGHT TO RELY ON ANY INSTRUMENT, DOCUMENT OR SIGNATURE AUTHORIZING OR SUPPORTING ANY ACTION TAKEN OR PROPOSED TO BE TAKEN BY HIM HEREUNDER, BELIEVED BY HIM IN GOOD FAITH TO BE GENUINE. ALL MONEYS RECEIVED BY TRUSTEE SHALL, UNTIL USED OR APPLIED AS HEREIN PROVIDED, BE HELD IN TRUST FOR THE PURPOSES FOR WHICH THEY WERE RECEIVED, BUT NEED NOT BE SEGREGATED IN ANY MANNER FROM ANY OTHER MONEYS (EXCEPT TO THE EXTENT REQUIRED BY LAW), AND TRUSTEE SHALL BE UNDER NO LIABILITY FOR INTEREST ON ANY MONEYS RECEIVED BY HIM HEREUNDER. DEBTOR HEREBY RATIFIES AND CONFIRMS ANY AND ALL ACTS WHICH THE HEREIN NAMED TRUSTEE OR HIS SUCCESSOR OR SUCCESSORS, SUBSTITUTE OR SUBSTITUTES, IN THIS TRUST, SHALL DO LAWFULLY BY VIRTUE HEREOF. DEBTOR WILL REIMBURSE TRUSTEE FOR, AND SAVE HIM HARMLESS AGAINST, ANY AND ALL LIABILITY AND EXPENSES


WHICH MAY BE INCURRED BY HIM IN THE PERFORMANCE OF HIS DUTIES. THE FOREGOING INDEMNITY SHALL NOT TERMINATE UPON DISCHARGE OF THE OBLIGATIONS OR FORECLOSURE, OR RELEASE OR OTHER TERMINATION, OF THIS DEED OF TRUST.

SECTION 10.06 Payment of Trustee's Compensation. Grantor shall pay or cause to be paid the compensation to which Trustee is entitled hereunder and all proper disbursements and expenses incurred by Trustee hereunder.

IN WITNESS WHEREOF, the undersigned has executed this Mortgage the day first set forth above.

Signed, sealed and delivered
in the presence of the
following witnesses:


Name: Diane Y. Duncan
Address: 46730 Almar West
St. Clairsville, OH 43950


Name: Martha Snezek
Address: 101 Governors Lane
Carnegie, PA 15106

**WHEELING-PITTSBURGH
STEEL CORPORATION**

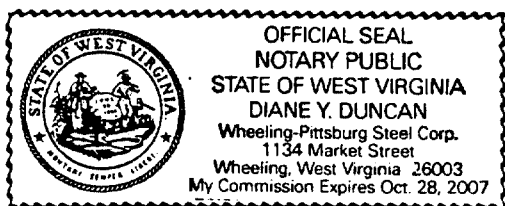
By: 

Name: Steven R. Lacy
Title: VP, General Counsel :
Secretary

STATE OF WEST VIRGINIA)
 COUNTY OF OHIO)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Steven R. Lacy, whose name, as VP, Genl Counsel & Secretary of WHEELING-PITTSBURGH STEEL CORPORATION, a Delaware corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he/she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this the 12th day of February, 2001.



Diane Y. Duncan
 Notary Public

AFFIX SEAL

My commission expires: 10/28/07

EXHIBIT A-1

Leases

LEASE AGREEMENT

Stewart - Bogatay Joint Venture

(the "Lessor")

and

Champion Metal Products, Inc.

(the "Lessee")

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LEASE AGREEMENT

This Lease Agreement (the "Lease") dated this 11th day of May, 1998, by and between Stewart - Bogatay Joint Venture, an Oregon general partnership (the "Lessor") and Champion Metal Products, Inc. (the "Lessee"), a Delaware corporation, authorized to do business in the State of Oregon.

Recitals

Lessor owns real property and wishes to lease this real property to Lessee and to construct a building and make the other improvements requested by Lessee and to lease these premises to Lessee.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Premises.

1.1 Lease of Premises. Lessor hereby leases to Lessee and Lessee leases from Lessor for the term, at the rental, and upon all of the conditions set forth herein, that approximately 6 acres of real property and the improvements thereon (the "Real Property"), situated in the County of Klamath, State of Oregon, more particularly described in Exhibit A attached hereto. Lessor agrees to construct a twenty-four thousand (24,000) square foot pre-engineered building, a three thousand six hundred (3,600) square foot office building and related improvements (collectively the "Buildings"), all in accordance with the plans and specifications (the "Plans and Specifications") attached to this Lease as Exhibit B. The Real Property, the Buildings and the related improvements are herein collectively called the "Premises".

1.2 Use of Common Areas. In addition to the Premises, Lessee shall have the right to use all common areas related to the Premises, which shall mean all areas, space, improvements and facilities located on the Premises and in or near the Buildings provided by Lessor for the common or joint use and benefit of Lessee and others, their agents, employees, servants and invitees, including, but not limited to, the parking areas, driveways, entrances, exits, sidewalks, ramps, halls, restrooms, lobbies and landscaped areas.

1.3 Condition of the Premises. Lessor shall deliver the Premises to Lessee clean and free of debris on the Commencement Date and warrants to Lessee that the Premises shall be constructed in accordance with the Plans and Specifications, including but not limited to, the structure of the building, the plumbing, lighting, air conditioning, heating and loading doors, if any, and the Premises shall be in good operating condition on the Commencement Date. During the Lease Term, if it is discovered that the Premises were not constructed in accordance with the Plans and

Specifications, Lessor shall promptly make whatever changes are necessary to have the Premises constructed in accordance with the Plans and Specifications.

1.4 Compliance with Covenants, Restrictions and Building Codes.

Lessor warrants to Lessee that the Buildings and the Premises comply with all applicable covenants or restrictions of record and applicable building codes, regulations and ordinances in effect on the Commencement Date and the Premises are properly zoned for Lessee's use. If the Premises do not comply with said warranties, Lessor shall, except as otherwise provided in this Lease, promptly after receipt of written notice from Lessee setting forth the nature and extent of such noncompliance, rectify the same at Lessor's expense.

2. Term.

2.1 Initial Term. The initial term of this lease shall be for ten (10) years beginning on the date of occupancy (the "Commencement Date") and terminate ten years thereafter (the "Initial Term"). The Initial Term and the option periods shall be the "Lease Term". If the Commencement Date is other than the first day of the month, the Initial Term shall end at the end of the month which is ten (10) years from the date of the end of the first month of the Lease. The parties agree to execute a written document setting forth the Commencement Date.

2.2 Renewal Options. On the Initial Term ending date, Lessee shall have the right and option to renew and extend the Lease Term for a first additional period of five (5) years (the "First Additional Term") commencing on the day after the expiration of the Initial Term. On the expiration of the First Additional Term, Lessee shall have the further right and option to renew and extend the Lease Term for a second additional term of five (5) years (the "Second Additional Term") commencing on the day after the expiration of the First Additional Term. On the date of the expiration of the Second Additional Term, Lessee shall have the further right and option to renew and extend the Lease Term for a third additional term of five (5) years (the "Third Additional Term") commencing on the day after the expiration of the Second Additional Term. On the date of the expiration of the Third Additional Term, Lessee shall have the further right and option to renew and extend the Lease Term for a fourth additional term of five (5) years (the "Fourth Additional Term") commencing on the day after the expiration of the Third Additional Term.

In each case, the renewal options may be exercised by Lessee providing written notice to Lessor on or before ninety (90) days before the expiration of the applicable lease period.

2.3 Holding Over. If Lessee remains in possession of the Premises after the expiration of the Lease Term, Lessee shall be deemed to be a tenant from month to month only, subject to all of the terms and provisions of this Lease except as to the duration of the Lease Term and either party to this Lease may terminate it by giving the

other party thirty (30) days' written notice of termination of such tenancy from month to month.

2.4 Delay In Possession. Notwithstanding the Commencement Date, if for any reason Lessor cannot deliver possession of the Premises to Lessee on said date, Lessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Lessee hereunder, but in such case, Lessee shall not be obligated to pay rent until possession of the Premises is tendered to Lessee; provided, however, that if Lessor shall not have delivered possession of the Premises by October 1, 1998, Lessee may, at Lessee's option, by notice in writing to Lessor cancel this Lease, in which event the parties shall be discharged from all obligations hereunder.

3. Rent.

3.1 Base Rent. During the Initial Term of the Lease Term, the First Additional Term, if any, the Second Additional Term, if any, and the Third Additional Term, if any, Lessee shall pay rent to Lessor at the rate of One Hundred Seven Thousand Six Hundred Forty Dollars (\$107,640) per annum, payable in advance without demand in consecutive monthly installments of Eight Thousand Nine Hundred and Seventy Dollars (\$8,970), each on the first day of each calendar month during the Lease Term; provided, however, that if the rent Commencement Date is the day of the month other than the first day, the first installment of rent shall be paid on the Commencement Date and shall be the amount equal to that percentage of one month's rent which would have been payable for such month, if the rent Commencement Date had been the first day of such month as is calculated by dividing the number of days of such month falling within the Lease Term by the total number of days in such month.

During the First Additional Term, the Second Additional Term, the Third Additional Term or the Fourth Additional Term, if any, the rent shall be increased on an annual basis by the increase in the CPI (hereinafter defined) over the base with the base being the CPI Index on the Commencement Date. The rent shall be determined by multiplying the increase in the CPI on the first day of the First Additional Term and each succeeding anniversary of the first day of the First Additional Term times the annual base rent and adding this amount to the base rent. This amount shall be divided by twelve and this 1/12th shall be paid in equal monthly installments during the succeeding year. For instance, if the CPI was 100 on the Commencement Date, and the CPI is 110 on the eleventh (11th) anniversary of the Commencement Date, the rent shall be calculated as follows: \$107,640 would be multiplied times .1, which would be \$10,764 and this amount would be added to the rent to give you the new rent, \$118,404 per annum. This amount would be divided by 12, which would make the monthly rent \$9,867. CPI shall mean the Consumer Price Index, All Urban Consumers (C.P.I.-U), U.S. City Average, All-Items Index (base year/1982-84=100), as published by the Bureau of Labor Statistics, United States Department of Labor. In the event that at any time during the Lease Term, the United States Bureau of Labor Statistics shall discontinue the issuance of the CPI, then in such event the CPI shall be any other

standard, nationally recognized cost-of-living index then published by Prentice-Hall, Inc. or any other nationally recognized publisher of similar statistical information designated by mutual agreement of Lessor and Lessee.

4. Security Deposit. Lessee shall deposit with Lessor upon execution hereof Eight Thousand, Nine Hundred Seventy Dollars (\$8,970.00) as security for Lessee's faithful performance of Lessee's obligations hereunder. If Lessee fails to pay rent due hereunder, Lessor may use, apply or retain all or any portion of said deposit for the payment of any rent. If Lessor so uses or applies all or any portion of said deposit, Lessee shall within ten (10) days after written demand therefor deposit cash with Lessor in an amount sufficient to restore said deposit to the full amount hereinabove stated. Lessor shall not be required to keep said deposit separate from its general accounts. If Lessee performs all of Lessee's obligations hereunder, said deposit, or so much therefor as has not theretofore been applied by Lessor, shall be credited against the last month's rent.

5. Use.

5.1 Use. The Premises shall be used and occupied for the manufacturing, storage, warehousing and distribution of steel and steel byproducts, office purposes and for any similar purpose. Lessee shall not use or permit the use of the Premises in any manner that creates waste or a nuisance or that disturbs owners and/or occupants of, or causes damage to, neighboring premises or properties. Lessor hereby agrees to not unreasonably withhold or delay its consent to any written request by Lessee, Lessee's assignees or subtenants, or any perspective assignees or subtenants of the Lessee, for a modification of the permitted use, so long as the request of change in use will not impair the structural integrity of the Buildings, its mechanical or electrical systems, is not significantly more burdensome to the Premises and the Buildings, and is otherwise permissible pursuant to this paragraph. If Lessor elects to withhold such consent, Lessor shall within five (5) business days after receipt of the request give written notification of the denial, which notice shall include an explanation of Lessor's reasonable objections to the change in use.

5.2 Lessor's Ownership, etc. Lessor represents and warrants that it owns the Premises free and clear of all liens and encumbrances, except those which will not affect Lessee's use of the Premises, and has the right to lease the Premises to Lessee and execute this Lease. Lessor represents and warrants that the Premises are in compliance with all applicable statutes, ordinances, rules, regulations, orders, covenants and restrictions of record regulating the use by Lessee of the Premises and represents and warrants that there is no legal impediment to the use of the Premises by Lessee.

6. Improvements, Alterations, Repairs, Maintenance, etc.

6.1 Maintenance of Premises by Lessor. Lessor shall maintain and keep in good repair the real property and all interior, exterior, structural and mechanical

portions of the Buildings, including without limitation, plumbing, heating, air conditioning, ventilating, electrical, lighting facilities, boilers, fire sprinkler and other automatic fire extinguishing systems, fire hydrants, foundations, ceilings, roofs, floors, landscaping, driveways, parking lots, fences, retaining walls, signs, sidewalks and parkways located in, on, about or adjacent to the Premises.

6.2 Maintenance of Premises by Lessee. Lessee shall keep in good order, condition and repair every part of the Premises which Lessor is not required to maintain pursuant to Section 6.1 hereof, including but not limited to, (i) the Tenant Improvements, (ii) Lessee's equipment, furniture and fixtures, and (iii) the windows, doors and plate glass.

6.3 Trade Fixtures; Alterations.

(a) Definition; Consent Required. The term "Tenant Improvements" as used in this Lease shall include all carpeting, window coverings, air lines, power panels, electrical distribution, machinery and equipment that can be removed without doing material damage to the Premises. The term "Alterations" shall mean any modification of the Tenant Improvements or the Premises. Lessee shall not make any structural Alterations or Tenant Improvements to the Premises without Lessor's prior written consent. Lessee may, however, make nonstructural Alterations to the interior of the Premises (excluding the roof), as long as they are not visible from the outside, do not involve puncturing, relocating or removing the roof or any existing walls and the costs thereof does not exceed Twenty-Five Thousand Dollars (\$25,000).

(b) Consent. Any structural Alterations, Tenant Improvements or other Alterations that require the consent of Lessor shall be presented to Lessor in written form with the proposed plans. All consents given by Lessor, shall be deemed condition upon: (i) Lessee's acquiring all applicable permits required by governmental authorities; (ii) furnishing copies of such permits, together with a copy of the plans and specifications for the Alterations to Lessor prior to the commencement of the work, and (iii) the compliance by Lessee with all conditions of said permits in a prompt and expeditious manner. Any Alterations by Lessee shall be done in a good and workman like manner, with good and sufficient materials and in compliance with all applicable laws. Lessee shall promptly, upon completion of the Alterations, furnish Lessor with copies of the plans and specifications.

(c) Indemnification. Lessee shall pay, when due, all claims for labor or materials furnished or alleged to have been furnished to or for Lessee at or for use on the Premises which claims are or may be secured by any mechanics or materialmen's lien against the Premises or any interest therein. Lessee shall give Lessor not less than ten (10) days notice prior to the commencement of any work in, on or about the Premises, and Lessor shall have the right to post notices of nonresponsibility in or on the Premises as provided by law. If Lessee shall, in good faith, contest the validity of any such lien, claim or demand, then Lessee shall, at its sole cost and expense, defend and protect itself, Lessor and the Premises against the same and shall pay and satisfy

any such adverse judgment that may be rendered thereon before the enforcement thereof against Lessor or the Premises.

6.4 Ownership; Removal; Surrender; and Restoration.

(a) Ownership. All Tenant Improvements made to the Premises by Lessee shall be the property of and owned by Lessee. At the end of the Lease Term, these Tenant Improvements shall become the property of Lessor and remain upon and be surrendered by Lessee to Lessor with the Premises.

(b) Surrender/Restoration. Lessee shall surrender the Premises by the end of the last day of the Lease Term or any earlier termination date, with all the improvements, parts and surfaces thereof, clean and free of debris and in good operating order, condition and state of repair, ordinary wear and tear excepted. The obligation of Lessee shall include the repair of any damage occasioned by the installation, maintenance or removal of Lessee's trade fixtures, furnishings, equipment and other Alterations. The Lessee's trade fixtures, equipment, machinery, furniture, fixtures and other mixed or personal property, shall remain the property of Lessee and shall be removed by Lessee at the end of the Lease Term subject to its obligations to repair and restore the Premises as provided in this subparagraph.

7. Insurance/Indemnity.

7.1 Property Insurance/Buildings and Improvements.

(a) All Risks Insurance. Lessor shall, at its sole cost and expense, keep the Premises, the Buildings and the improvements thereon, all mixed property of all kinds located on the Premises, insured for the benefit of Lessor and Lessee in an amount of the actual replacement value of the Premises or in an amount that will be sufficient to prevent Lessor from becoming a co-insurer of any loss, against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief and special extended perils, "all risks" as such term is used in the insurance industry. Said insurance shall provide for payment of the loss thereunder to Lessor or to the holders of mortgages or deeds of trust on the Premises, the Buildings or the improvements thereon. If such insurance coverage has a deductible clause, the deductible amounts shall not exceed \$10,000 per occurrence and Lessor shall be liable for such deductible amount in the event of an insured loss.

(b) Lessee's Property Insurance. Lessee, at its cost and expense, shall either by separate policy or at Lessee's option by endorsement to a policy already carried, maintain insurance coverage on all of Lessee's personal property and the Tenant Improvements similar in coverage to that of the Lessor under subparagraph 7.1(a).

7.2 Liability Insurance.

(a) Carried by Lessee. Lessee shall, at Lessee's expense, obtain and keep in force during the Lease Term, a commercial general liability policy of combined, single limit, bodily injury and property damage insurance insuring Lessor and Lessee against any liability arising out of the ownership, use, occupancy or maintenance of the Premises and all areas appurtenant thereto by Lessee. Such insurance shall be a combined single limit in an amount not less than \$1,000,000 for bodily injury per occurrence, and \$100,000 per claim for property damage. Lessor may also maintain liability insurance in addition to, but not in lieu of, the insurance required to be maintained by Lessee under this paragraph, and, if it does, Lessor shall name Lessee as an additional insured on such policy. In the event of an occurrence giving rise to liability of Lessee and its insurer, Lessee and Lessor agree that Lessee's insurance coverage shall be primary and any insurance maintained by Lessor shall apply in excess of and not contribute with coverages provided by Lessee's policies.

(b) Carried by Lessor. Lessor shall also maintain a commercial general liability policy of insurance, in addition to and not in lieu of, the insurance required to be maintained by Lessee pursuant to subparagraph a above. Lessee shall be named as an additional insured under this policy.

7.3 Lessee's Personal Property Insurance. Lessee shall, at its sole cost and expense, keep its personal property insured against loss or damage.

7.4 Insurance Policies. Insurance required pursuant to this paragraph shall be in companies duly licensed to transact business in the State of Oregon, and maintaining a "general policyholder's rating" of at least B+, V or a similar rating, as set forth in the most current issue of "Best Insurance Guide." Lessor or Lessee shall not do or permit to be done anything which shall invalidate the insurance policies described in this paragraph. Lessor and Lessee shall cause to be delivered to the other certified copies of policies of such insurance or certificates evidencing the existence and amounts of such insurance with the other party as a named insured and with loss payable clause as required by this paragraph. No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Lessor or Lessee. Lessor and Lessee shall at least thirty (30) days prior to the expiration of such policies furnish Lessor or Lessee with evidence of renewals or "insurance binders" evidencing renewal thereof, or Lessor or Lessee may order such insurance and charge the costs thereof to the other party, which amounts shall be payable by Lessor or Lessee upon demand. If the insuring party shall fail to procure and maintain the insurance required by this paragraph, the other party may, but shall not be required to, procure and maintain the same, but at the appropriate party's expense.

7.5 Waiver of Subrogation. Lessee and Lessor each hereby release and relieve the other, and waive their entire right of recovery against the other for loss or damage arising out of or incident to the perils insured against under this Section, which perils occur in, on, or about the Premises, whether due to the negligence of Lessor or

Lessee or their agents, employees, contractors or invitees. Lessee and Lessor shall, upon obtaining the policies of insurance required hereunder, give notice to the insurance carrier or carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

7.6 Indemnity.

(a) Lessee's Indemnity. Except for any and all claims caused by Lessor or its employees, agents or representatives, Lessee shall indemnify and hold harmless Lessor from and against any and all claims arising from Lessee's use or occupancy of the Premises, or from the conduct of Lessee's business or from any activity, work or things done, permitted or suffered by Lessee in or about the Premises, and shall further indemnify and hold harmless Lessor from and against any and all claims arising from any breach or default in the performance of any obligation on Lessee's part to be performed under the terms of this Lease, or arising from any negligence of Lessee, or any of Lessee's agents, contractors, or employees, and from and against all costs, attorney's fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any such action or proceeding be brought against Lessor by reason of any such claim, Lessee, upon notice from Lessor, shall defend the same at Lessee's expense by counsel reasonably satisfactory to Lessor.

(b) Lessor's Indemnity. Except for any and all claims caused by Lessee or its employees, agents or representatives, Lessor shall indemnify and hold harmless Lessee from and against any and all claims arising from any breach or default in the performance of any obligation on Lessor's part to be performed under the terms of this Lease or arising from any negligence of Lessor or any of Lessor's agents, contractors, representatives or employees, and from and against all costs, attorneys' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon; and in case any such action or proceeding be brought against Lessee by reason of such claim, Lessor upon notice from Lessee, shall defend the same at Lessor's expense by counsel reasonably satisfactory to Lessee.

8. Damage or Destruction.

8.1 Definitions.

(a) "Partial Damage" shall mean damage or destruction to the Buildings and improvements to the extent that the cost of repair is less than twenty-five percent (25%) of the then replacement cost of the Buildings and improvements.

(b) "Buildings Total Destruction" shall mean damage or destruction to the Buildings and improvements to the extent that the cost of repair is twenty-five percent (25%) or more of the then replacement cost of the Buildings.

(c) "Insured Loss" shall mean damage or destruction which was caused by an event required to be covered by the insurance described in Section 7.

8.2 Partial Damages - Insured Loss. Subject to the provisions of Paragraphs 8.3 and 8.5, if at any time during the Lease Term, there is damage which is an Insured Loss and which falls into the classification of Buildings Partial Damage, then Lessor shall, at Lessor's expense, repair such damage within one hundred twenty (120) days of the damage and this Lease shall continue in full force and effect. If the Buildings cannot be repaired within this 60 day period, Lessee shall have the option of terminating this Lease, by giving Lessor written notice.

8.3 Partial Damage - Uninsured Loss. Subject to the Term provisions of Paragraphs 8.4 and 8.5, if at any time during the Lease Term there is damage which is not an Insured Loss and which falls within the classification of Buildings Partial Damage, Lessor may, at Lessor's option, either (i) repair such damage as soon as reasonably possible at Lessor's expense, in which event this Lease shall continue in full force and effect, or (ii) give written notice to Lessee within fifteen (15) days after the date of the occurrence of such damage of Lessor's intention to cancel and terminate this Lease, as of the date of the occurrence of such damage. In the event Lessor elects to give such notice of Lessor's intention to cancel and terminate this Lease, Lessee shall have the right within thirty (30) days after the receipt of such notice to give written notice to Lessor of Lessee's intention to repair such damage at Lessee's expense, without reimbursement from Lessor, in which event this Lease shall continue in full force and effect, and Lessee shall proceed to make such repairs as soon as reasonably possible. If Lessee does not give such notice within such 30-day period, this Lease shall be canceled and terminated as of the date of the occurrence of such damage.

8.4 Total Destruction. If at any time during the Lease Term there is damage, whether or not an Insured Loss (including destruction required by any authorized public authority), which falls into the classification of Buildings Total Destruction, this Lease shall automatically terminate as of the date of such total destruction.

8.5 Damage Near End of Term.

(a) If at any time during the last six months of the initial term or any renewal term of this Lease, there is damage, whether or not an insured loss, which falls within the classification of Buildings Partial Damage, Lessee may at Lessee's option cancel and terminate this Lease as of the date of the occurrence of such damage by giving written notice to Lessor of Lessee's election to do so within thirty (30) days after the date of occurrence of such damage.

(b) Notwithstanding paragraph 8.5(a), in the event that Lessee has an option to extend or renew this Lease, and the time within which said option may be exercised has not yet expired, Lessee shall exercise such option, if it is to be exercised

at all, no later than twenty (20) days after the occurrence of an insured loss falling within the classification of Buildings Partial Damage during the last six (6) months of the term of this Lease. If Lessee duly exercises such option during said twenty (20) day period, Lessor shall, at Lessor's expense, repair such damage as soon as reasonably possible and this Lease shall continue in full force and effect. If Lessee fails to exercise such option during said twenty (20) day period, then Lessor may, at Lessor's option, terminate and cancel this Lease as of the expiration of said twenty (20) day period by giving written notice to Lessee of Lessor's election to do so within ten (10) days after the expiration of said twenty (20) day period, notwithstanding any term or provision in the grant of option to the contrary.

8.6 Abatement of Rent; Lessee's Remedies.

(a) In the event of damage described in paragraphs 8.2, 8.3 or 8.5, Lessor or Lessee repairs or restores the Premises pursuant to the provisions of this Section, the rent payable hereunder for the period during which such damage, repair or restoration continues shall be abated in proportion to the degree to which Lessee's use of the Premises is impaired.

(b) If Lessor shall be obligated to repair or restore the Premises under the provisions of this Section and shall not commence such repair or restoration within thirty (30) days after such obligations shall occur, Lessee may, at Lessee's option, cancel and terminate this Lease by giving Lessor written notice of Lessee's election to do so at any time prior to the commencement of such repair or restoration. In such event this Lease shall terminate as of the date of such notice.

8.7 Termination - Advance Payments. Upon termination of this Lease pursuant to this Article, an equitable adjustment shall be made concerning advance rent and any advance payments made by Lessee to Lessor. Lessor shall, in addition, return to Lessee so much of Lessee's security deposit as has not heretofore been applied by Lessor.

8.8 Waiver. Lessor and Lessee waive the provisions of any statutes which relate to termination of leases when leased property is destroyed and agree that such event shall be governed by the terms of this Lease.

9. Payment of Real and Personal Property Taxes.

9.1 Payment of Real Property Taxes. During the Lease Term, Lessee shall pay Lessor the real property taxes for the Premises. Lessor will determine the amount of these real property taxes and bill Lessee for these taxes on an annual basis or a portion thereof. Lessor shall give Lessee written notice of the amount of these real estate tax payments and Lessee shall make such payments at least ten (10) days prior to the delinquency date of the applicable installment. Lessor shall promptly furnish Lessee with satisfactory evidence that such taxes have been paid. If any such taxes cover any period of time prior to or after the expiration or earlier termination of the

Lease Term, Lessee's share of such taxes shall be prorated on the basis of the time Lessee occupies the Premises and Lessor shall reimburse Lessee for any overpayment. If Lessee shall fail to pay any real property taxes required by this Lease to be paid by Lessee, Lessor shall have the right to pay the same and Lessee shall reimburse Lessor therefor upon demand. If the Premises are not separately assessed, Lessee's liability shall be an equitable portion of the real property taxes for all of the land and improvements included within the tax parcel assessed.

9.2 Personal Property Taxes. During the Lease Term, Lessee shall be responsible for the payment of the personal property taxes on the personal property located on the Premises and any personal property Lessee brings to the Premises.

10. Utilities. Lessor shall make all utilities available to Lessee ready to use and in good working order in accordance with the Plans and Specifications described in Exhibit B. Lessee shall pay for all water, gas, heat, light, power, telephone and other utilities and services supplied to the Premises, together with any taxes thereon, and arrange to have these utilities listed in its account and billed directly to Lessee.

11. Assignment and Subletting.

11.1 Lessor's Consent Required. Lessee shall not voluntarily or by operation of law assign, transfer, mortgage, sublet, or otherwise transfer or encumber all or any part of Lessee's interest in this Lease or in the Premises, without Lessor's prior written consent, which Lessor may not unreasonably withhold. Lessor shall respond to Lessee's request for consent hereunder in a timely manner and any attempted assignment, transfer, mortgage, encumbrance or subletting without such consent shall be void.

11.2 Lessee Affiliates. Notwithstanding the provisions of Paragraph 11.1 hereof, Lessee may assign or sublet the Premises, or any portion thereof, without Lessor's consent, to any corporation which controls, is controlled by or is under common control with Lessee, or to any corporation resulting from the merger or consolidation with Lessee, or to any person or entity which acquires substantially all of the assets of Lessee, provided that said assignee assumes, in full, the obligations of Lessee under this Lease.

12. Defaults; Remedies.

12.1 Default of Lessee. A default shall occur if:

(a) Lessee fails to make any rent payment when due and after Lessee has received ten (10) day written notice of such failure.

(b) Lessee fails to perform any obligation imposed by this Lease Agreement and does not correct or commence to correct such failure within thirty (30) days after receipt of written notice specifying the manner in which Lessee is in default;

provided, however, that if the nature of Lessee's default is such that more than thirty (30) days are reasonably required for its cure, then it shall not be deemed to be a breach of this Lease by Lessee if Lessee commences such cure within said thirty (30) day period and thereafter diligently pursues such cure to completion.

(c) The vacating of the Premises without the intention to reoccupy, or the abandonment of the Premises.

(d) The occurrence of any of the following events: (i) making by Lessee of any general assignment for the benefit of creditors; (ii) Lessee becoming a debtor as defined in Section 11 U.S.C. Section 101 or any successor statute thereto (unless, in the case of a petition filed against Lessee, the same is dismissed within sixty (60) days); (iii) the appointment of a trustee or receiver who takes possession of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within thirty (30) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the Premises or of Lessee's interest in this Lease, where such seizure is not discharged within thirty (30) days.

12.2 Remedies of Lessor. In the event of a default by Lessee, Lessor shall have the rights granted by law, including but not limited to the following rights:

(a) To terminate this Lease Agreement by giving thirty (30) days' written notice, unless such default is cured within such 30-day period or Lessee is in the process of curing such default. In the event of termination of the Lease Term by Lessor pursuant to this provision, Lessor shall have the right to re-enter and take possession of the Premises.

(b) To sue Lessee for any sums that may be due, plus interest thereon, which interest shall accrue at the rate of nine percent (9%) per annum.

(c) To sue Lessee in equity to compel the specific performance of this Lease Agreement.

12.3 Default by Lessor. Lessor shall be in default if Lessor fails to perform the obligations required of Lessor within a reasonable time, but in no event later than five (5) days after written notice by Lessee to Lessor, specifying where Lessor has failed to perform such obligation. If Lessor is in default under this Lease, Lessee shall have the right to exercise any remedy it has at law or equity.

13. Condemnation. If the Premises or any portion thereof are taken under the power of eminent domain, or sold under the threat of the exercise of said power (all of which are herein called "Condemnation"), this Lease shall terminate as to the part so taken as of the date the condemning authority takes title or possession, whichever first occurs. If more than 10% of the floor area of the Buildings, or more than 25% of the land area of the Premises, which is not occupied by any Buildings, is taken by

Condemnation, Lessee may, at Lessee's option, to be exercised in writing within thirty (30) days after Lessor shall have given Lessee written notice of such taking (or in the absence of such notice, within thirty (30) days after the condemning authority shall have taken possession), terminate this Lease as of the date the condemning authority takes such possession. If Lessee does not terminate this Lease in accordance with the foregoing sentence, this Lease shall remain in full force and effect as to the portion of the Premises remaining, except that the rent shall be reduced in the proportion that the floor area of the Buildings taken bears to the total floor area of the Buildings. Any award for the taking of all or any part of the Premises under the power of Condemnation or any payment made under threat of the exercise of such power shall be divided as provided by law or in the award of damages. In the event that this Lease is not terminated by reason of such Condemnation, Lessor shall to the extent of severance damages received by Lessor in connection with such condemnation, repair any damage to the Premises caused by such Condemnation, except to the extent that Lessee has been reimbursed therefor by the condemning authority.

14. Broker's Fee.

Lessor shall be responsible for any brokerage fees. Lessor and Lessee hereby warrant that neither has dealt with any broker, finder or like person in connection with this Lease. Lessor and Lessee agree to indemnify and hold each other harmless from and against any and all liability or claims of any kind arising from or accruing in connection with any such fee or commission brought by any broker or agent as a result of the act or omission of the indemnifying party.

15. Compliance With Orders, Ordinances, Etc.

During the Lease Term, Lessee covenants, at its sole cost and expense, to promptly comply with all laws and ordinances and the orders, rules, regulations and requirements, related to Lessee's use and occupation of the Premises and those of general application to facilities or buildings of similar construction or use located in the county and state where the Premises are located, with all federal, state and municipal governments or other governmental or quasi-governmental authorities having jurisdiction over either the Premises or Lessee and appropriate departments, commissions, boards and officers thereof, which may be applicable to the Premises, or Lessee's use of the Premises.

16. Hazardous Substances.

(a) Definitions. Lessor and Lessee hereby covenant and agree that the following terms shall have the following meanings:

(i) "Environmental Laws" means all federal, state, and local laws, statutes, ordinances, regulations and codes relating to the use, storage, treatment, generation, transportation, processing, handling, production, or disposal of any

Hazardous Substance and the rules, regulations, policies, guidelines, interpretations, decisions, orders, and directives with respect thereto.

(ii) "Hazardous Substance" means, without limitation, any flammable explosives, radioactive materials, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum and petroleum based products, methane, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, et seq.), or any other applicable Environmental Law.

(iii) "Release" has the same meaning as given to that term in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), and the regulations promulgated thereunder.

(b) Lessor's Responsibility and Liability. Lessor represents and warrants that on the Commencement Date, the Premises, the Buildings and all other areas related thereto are free of any Hazardous Substance and are in compliance with all federal, state and local laws, ordinances, rules and regulations now or at any time heretofore in effect which regulate, relate to or impose reporting requirements, liability or standards of conduct concerning any Hazardous Substance, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, Superfund Amendments and Reauthorization Act of 1986, and the environmental protection act of the state where the Premises are located. Lessor agrees to hold Lessee, its officers, directors, agents and employees, their respective agents and their successors and assigns, harmless from and indemnified against all claims, penalties, fines, liabilities, settlement damages and costs, including but not limited to, reasonable attorneys' fees and consultants' fees, investigation or laboratory fees, court costs and litigation expenses, arising out of or as a result of (a) the presence, disposal or Release or threatened Release of any Hazardous Substance on, over, under, from or affecting the Premises, the Buildings or the real property related thereto, permitted by, attributed or related to or otherwise arising out of the use or occupancy of the Premises, the Buildings or the real property related thereto prior to the Commencement Date; (b) any personal injury (including wrongful death) or property damage, real or personal, arising out of or relating to any such presence, disposal, Release, or threatened Release of any Hazardous Substance on, over, under, from or affecting the Premises, the Buildings, or the real property related thereto, caused or permitted by, attributed to or related to or otherwise arising out of the use and occupancy of the Premises, the Building or the real property prior to the Commencement Date of this Lease by Lessor or by anyone acting by, through or under Lessor, including without limitation, any of Lessor's tenants, employees, agents, invitees, licensees or assignees; (c) any violation of or failure to comply with any Environmental Laws or any orders, requirements or demands of any governmental

authorities which are based upon or in any way related to any such presence, disposal, release, or threatened release of any Hazardous Substance on, over, under, from or affecting the Premises, the Buildings, or the real property related thereto, caused or permitted by, attributed to or related to or otherwise arising out of the use and occupancy of the Premises, the Buildings and/or the real property related thereto prior to the Commencement Date of this Lease by Lessor or by anyone acting by, through or under Lessor, including without limitation, any of Lessor's tenants, employees, agents, invitees, licensees or assignees; and (d) Lessor's failure to comply with any of the requirements of this paragraph.

Lessor agrees to provide to Lessee sixty (60) days prior to the Commencement Date a Phase 1 report of the Premises showing the Premises are free of any environmental contamination of any kind.

(c) Lessee's Obligations and Responsibilities. Lessee covenants and agrees with Lessor as follows:

(i) Lessee shall keep the Premises free of all Hazardous Substances, except for Hazardous Substances stored, treated, generated, transported, processed, handled, produced, or disposed of in the normal operation of the Premises by Lessee for the use described herein, which shall be in accordance with all Environmental Laws.

(ii) Lessee shall comply with all Environmental Laws.

(iii) Lessee shall promptly provide Lessor with a copy of all notifications which it gives or receives with respect to any past or present Release of any Hazardous Substance or the threat of such a Release on, at, or from the Premises or any property adjacent to or within the immediate vicinity of the Premises.

(iv) Lessee covenants and agrees, at its sole cost and expense, to indemnify, defend, and save harmless Lessor from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements, and/or expenses (including, without limitation, reasonable attorneys' and experts' fees and expenses) of any kind or nature whatsoever which may at any time be imposed upon, incurred by, asserted, or awarded against Lessor arising out of the actions or inactions of Lessee, from (i) the storage, treatment, generation, transportation, processing, handling, production, or disposal of any Hazardous Substance on the Premises, (ii) the presence of any Hazardous Substance or a Release of any Hazardous Substance or the threat of such a Release on the Premises, (iii) human exposure to any Hazardous Substance, (iv) a violation of any Environmental Law on the Premises, or (v) a material misrepresentation or inaccuracy in any representation or warranty or material breach of or failure to perform any covenant made by Lessee in this subparagraph (c).

17. Quiet Enjoyment. Upon Lessee paying the rent for the Premises and observing and performing all of the covenants, conditions and provisions on Lessee's part to be

observed and performed hereunder, Lessee shall have quiet possession of the Premises for the entire term hereof subject to all of the provisions of this Lease. The individuals executing this Lease on behalf of Lessor represent and warrant to Lessee that (i) they are fully authorized and legally capable of executing this Lease on behalf of Lessor; (ii) such execution is binding upon all parties holding an ownership interest in the Premises, and (iii) they own the Premises free and clear of any liens or encumbrances of any kind, except those which will not interfere with Lessee's use of the Premises.

18. Signs. With Lessor's prior written consent, which shall not be unreasonably withheld, Lessee shall have the right to place a monument sign adjacent to the Premises and to place signs on the Buildings, which are visible from the surrounding public streets and highways.

19. Miscellaneous.

19.1 Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction, shall in no way affect the validity of any other provision hereof.

19.2 Time of Essence. Time is of the essence with respect to the performance of all obligations to be performed or observed by the parties under this Lease.

19.3 Incorporation of Prior Agreements; Amendments. This Lease contains all agreements of the parties with respect to any matter mentioned herein. No prior agreement or understanding pertaining to any such matter shall be effective. This Lease may be modified in writing only, signed by the parties in interest at the time of the modification.

19.4 Notices. All payments of rent and other payments, if any, required to be made by Lessee or Lessor under the provisions of this Lease Agreement, and all notices and other communications required or permitted to be given or delivered under this Lease Agreement to Lessor or to Lessee, which notices or communications must be in writing, shall either be (i) delivered personally; (ii) faxed; or (iii) placed in the United States mail, certified mail, return receipt requested, addressed as follows:

- | | |
|---------------------------|--|
| (a) If to the Lessor, to: | Stewart - Bogatay Joint Venture
5761 Glenridge Way
Klamath Falls, Oregon 97603
Attention: Mel Stewart/Bob Bogatay |
| (b) If to the Lessee, to: | Champion Metal Products, Inc.
2521 South Sixth Street
Klamath Falls, Oregon 97601
Attention: Larry Roche |

With a copy to:

Director, Corporate Services
and Real Estate
Wheeling Pittsburgh Steel Corporation
1134 Market Street
Wheeling, West Virginia 26003

Any payment or notice delivered personally shall be deemed to have been given and delivered when personally delivered and fax shall be deemed delivered when received by the addressee. Any notice by certified mail shall be deemed received when the return receipt is signed by the addressee or service is refused. Lessor and Lessee, by notice received by the other party from time to time and at any time, may designate a different address for the making of payments or the giving of notices or other communications required or permitted to be given to the party designating such new address.

19.5 Waivers. No waiver by Lessor or Lessee of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Lessee or Lessor of the same or any other provision. Lessor's or Lessee's consent to, or approval of, any act shall not be deemed to render unnecessary the obtaining of Lessor's or Lessee's consent to or approval of any subsequent act by Lessee or Lessor.

19.6 Recording. Either Lessor or Lessee shall, upon request of the other, execute, acknowledge and deliver to the other a "short form" memorandum of this Lease for recording purposes.

19.7 Cumulative Remedies. No remedy or election hereunder shall be deemed exclusive but shall, wherever possible, be cumulative with all other remedies at law or in equity.

19.8 Binding Effect; Choice of Law. Subject to any provisions hereof restricting assignment or subletting by Lessee, this Lease shall bind the parties and their heirs, personal representatives, successors and assigns. This Lease shall be governed by the laws of the state where the Premises are located.

19.9 Attorney's Fees. If either party brings an action to enforce the terms hereof or declare rights hereunder, the prevailing party in any such action, on trial or appeal, shall be entitled to its reasonable attorney's fees to be paid by the losing party as fixed by the court.

19.10 Lessor's Access. Lessor and Lessor's agents shall have the right to enter the Premises at reasonable times with reasonable written notice for the purpose of inspecting the same, showing the same to prospective purchasers, lenders, or lessees.

19.11 Incorporated by Reference. All of the exhibits attached hereto are incorporated herein by this reference as is fully rewritten herein.

19.12 Force Majeure. Except as provided in Section 2 hereof, in the event Lessor or Lessee shall be delayed or hindered or prevented in the performance of any obligations required under the Lease by reasons of strike, lockouts, inability to procure labor or materials, failure of power, fire or other acts of God, restrictive governmental laws or regulations, riots, insurrection, war or any other reason not within the reasonable control of Lessor or Lessee, then the performance of such obligations shall be excused for a period of such delay and the period for the performance of any such act shall be extended for a period equivalent to the period of any such delay.

19.13 Subordination Attornment; Nondisturbance.

(a) Subordination. This Lease shall be subject and subordinate to any ground lease, mortgage, deed of trust or other hypothecation or security device (collectively the "Security Device"), now or hereafter placed by Lessor upon the real property of which the Premises are a part and to any renewals, modifications, consolidations, replacements and extensions thereof. If any lender shall elect to have this Lease superior to the lien of this Security Advice and shall give written notice thereof to Lessee, this Lease shall be deemed prior to such Security Device, notwithstanding the relative dates of the documentation or recordation thereof.

(b) Attornment. Subject to the nondisturbance provisions of subparagraph (c), Lessee agrees to attorn to a lender or any other party who acquires ownership of the Premises by reason of a foreclosure of a Security Device.

(c) Lessee's subordination of this Lease shall be subject to receiving assurance (a "Nondisturbance Agreement") from the Lender that Lessee's possession of this Lease, including any options to extend the term hereof, will not be disturbed so long as Lessee is not in breach hereof and attorns to the record owner of the Premises.

(d) Self-Executing. The agreements contained in this Section 19.13 shall be effective without the execution of any further documents; provided, however, that upon written request from Lessor or a lender in connection with a sale, financing or refinancing of the Premises, Lessee and Lessor shall execute such further writing as may be reasonably required to separately document any such subordination or nonsubordination, attornment and/or nondisturbance agreement as is provided for herein.

19.14 Consents. Wherever in this Lease the consent of a party is required, such consent shall not be unreasonably withheld or delayed.

19.15 Right of First Refusal. If from time to time and at any time during the Lease Term, Lessor receives a bona fide offer acceptable to Lessor to purchase, or Lessor makes a bona fide offer to sell to a purchaser, all or any part of or any interest

in the Premises, Lessor shall give Lessee notice of such offer (the "Offer"), accompanied by a copy of the Offer and setting forth the name and address of the proposed purchaser, the proposed purchase price and the other terms of the Offer. Lessee shall have the prior right and option (the "Right of First Refusal") to purchase the interests of Lessor in the Premises which is a subject of the Offer at the same price and otherwise upon the same terms of such Offer, which Right of First Refusal may be exercised by Lessee only by giving notice of such exercise to Lessor within thirty (30) days after Lessee shall have been given notice of such Offer by Lessor as aforesaid. If Lessee shall fail to exercise such Right of First Refusal within the thirty (30)-day period, then (a) Lessor shall have the right for a period ending on the ninetieth (90th) day after the expiration of the said thirty (30)-day period to sell the interest in the Premises which is a subject of such Offer, but only to the aforesaid bona fide purchaser at the same price and otherwise upon the same terms of such Offer, and if such interest shall not have been sold and conveyed to such bona fide purchaser within this ninety (90)-day period, the provisions of this subparagraph shall again apply to Lessor's entire interest in the Premises, and (b) this Lease Agreement and all the provisions shall nevertheless remain in full force and effect and Lessor and its successors shall be bound thereby.

19.16 Option.

(a) After the tenth (10th) anniversary of the Commencement Date, Lessor hereby grants to Lessee the exclusive right and option (the "Option") to purchase the Premises, together with all of Lessor's rights, title and interest in and under this Lease Agreement, at any time during the Lease Term after the tenth (10th) anniversary of the Commencement Date. Lessee may exercise the option by giving written notice of such exercise to Lessor at any time after this date.

(b) If the Option is exercised by Lessee and Lessor and Lessee are then unable to agree on the total purchase price to be paid by Lessee to Lessor for the Premises and all of Lessor's right, title and interest in and under this Lease Agreement (the "Purchase Price"), then the Purchase Price shall be determined on the basis of the "comparable sales" approach by a professional real estate appraiser mutually designated by Lessor and Lessee. If Lessor and Lessee cannot agree upon the designation of such real estate appraiser within thirty (30) days after Lessee shall have given notice to Lessor of its exercise of the Option, the Purchase Price shall be determined as follows: within forty (40) days after Lessee shall have given notice to Lessor of its exercise of the Option, Lessor and Lessee each shall designate a professional real estate appraiser who shall be an M.A.I. appraiser who conducts his principal appraisal business in the area where the Premises are located, and the two appraisers so designated shall designate a third appraiser having the same qualifications within fifty (50) days after Lessee shall have given notice to Lessor of its exercise of the Option. Each of these three appraisers shall appraise the value of the Premises on the basis of the "comparable sales" approach and shall submit a written report of his or her appraisal to Lessor and Lessee. The Purchase Price shall be the appraised value of the Premises determined on the "comparable sales" approach by the agreement of a majority of the three appraisers and reflected in a writing signed by

this majority and submitted to Lessee and to Lessor, but if a majority are unable to agree on such appraised value, then the Purchase Price shall be determined by taking the two closest appraisals of the appraisers and dividing them by two. Lessor and Lessee shall each bear the cost of the appraisal made by each appraiser designated by it and shall share equally the cost of the appraisal made by the appraiser mutually designated by them or by the appraiser separately designated by appraisers designated by them. Lessee shall have the right to terminate its exercise of the Option within ten (10) days after Lessee shall have received final notice of the Purchase Price and in the event of such termination, Lessee shall pay Lessor's appraisal and other costs incurred by Lessor in connection with Lessee's notice of its exercise of the Option.

(c) Closing Date. If the Option is exercised by Lessee, the transaction for the purchase and sale of the Premises shall be closed (the "Closing") within ninety (90) days after such exercise, or as soon thereafter as possible at such time (the "Closing Date") and place as Lessee shall designate.

(d) Title Insurance. After the final exercise of the Option, Lessor shall furnish to Lessee within five (5) days after the exercise of the Option an owner's closing title insurance commitment certified in accordance with the community standard, and after the Closing, an owner's title insurance policy in the amount of the Purchase Price, said title insurance policy ensuring in Lessee good and merchantable, marketable and insurable fee simple title, free and clear from any defects, liens, encumbrances, easements, restrictions, reservations, conditions, agreements and encroachments except taxes and installments of assessments due and payable after the Closing Date, zoning laws and regulations, public streets, roads and highways, easements of record at the Commencement Date and such other easements or restrictions as will not, in Lessee's reasonable opinion, interfere with Lessee's use of the Premises.

(e) Warranty Deed and Payment. At the Closing, Lessor shall convey to Lessee the fee simple title to the Premises as described in the preceding paragraph by a general warranty deed, free and clear of all defects, liens, encumbrances, easements and restrictions, reservations, conditions, agreements and encroachments, except as described in the preceding paragraph. Lessor shall also execute and deliver to Lessee such documents as are customary in the community where the property is being conveyed. Lessee shall pay the Purchase Price, together with the amount of Rent and other charges due under this Lease prorated to the Closing Date in cash or its equivalent.

19.17 Amendments. This Lease may be modified only in writing, signed by the parties in interest at the time of the modification.

LESSOR AND LESSEE HAVE CAREFULLY READ AND REVIEWED THIS LEASE AND EACH TERM AND PROVISION CONTAINED HEREIN AND, BY EXECUTION OF THIS LEASE, SHOW THEIR INFORMED AND VOLUNTARY CONSENT THERETO. THE PARTIES HEREBY AGREE THAT, AT THE TIME THIS LEASE IS EXECUTED,

THE TERMS OF THIS LEASE ARE COMMERCIALY REASONABLE AND EFFECTUATE THE INTENT AND PURPOSE OF LESSOR AND LESSEE WITH RESPECT TO THE PREMISES.

IN WITNESS WHEREOF, The parties hereto have caused their duly authorized officer to execute this Lease to be effective the date first above written.

WITNESSES:

[Signature]
Print Name: Laura M. Heston

[Signature]
Print Name: Debra M. Bogart

[Signature]
Print Name: John L. Sneddon

[Signature]
Print Name: Gordon J. Dyck

LESSOR:

Stewart - Bogatay Joint Venture

By: [Signature]
Its: William Stewart

LESSEE:

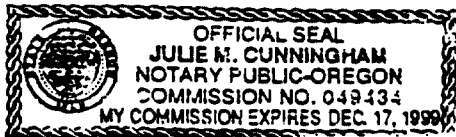
Champion Metal Products, Inc.

By: [Signature]
Its: President

State of Oregon)
) SS:
 County of Klamath)

Be it remembered, that on this 11th day of May, 1998, before me, the subscriber, a Notary Public in and for said county, personally came Robert J. Bogatay the Managers of Stewart - Bogatay Joint Venture, who acknowledged the signing of the foregoing lease as his or her free act and deed on behalf of the partnership.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year set forth above.



Julie M. Cunningham
 Notary Public

State of West Virginia)
) SS:
 County of Ohio)

Be it remembered, that on this 8th day of May, 1998, before me, the subscriber, a Notary Public in and for said county, personally came the above-named Tom Patrick, the President of Champion Metal Products, Inc., a Delaware corporation, who acknowledged the signing of the foregoing lease as his free act and deed on behalf of said corporation.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year set forth above.

Dorothy S. Timbrook
 Notary Public

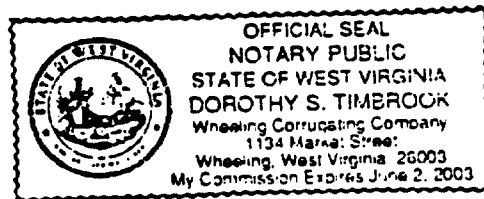


EXHIBIT A-2LEGAL DESCRIPTION

A tract of land situated in the S1/2 SE1/4 of Section 16, T39S, R9EWM, Klamath County, Oregon, more particularly described as follows:

That portion of said S1/2 SE1/4 of Section 16 lying southerly of the U.S.B.R. 1-G drain, northerly of the U.S.B.R. F-23 lateral, and westerly of the following described line: Beginning at a point from which the corner common to Sections 15, 16, 21, and 22 bears S 89 degrees 47' 10" E 682.71 feet and N 00 degrees 16' 52" E 20.00 feet; thence N 00 degrees 16' 52" E 89.63 feet; thence along the arc of a curve to the left (radius equals 70.00 feet and central angle equals 33 degrees 47' 46") 41.29 feet; thence N 33 degrees 30' 54" W 503.34 feet, more or less, to the southerly right of way line of the U.S.B.R. 1-G drain, containing 6.5 acres, more or less.

EXHIBIT B-1

Permitted Encumbrances

1. The lien of this Deed of Trust.
2. Permitted Liens.

Record and return to:

Title Associates Inc.
430 Park Avenue
New York, NY 10022

Attn: R. King/L. Williams

Reference # SSN01-848

State of Oregon, County of Klamath
Recorded 02/15/01, at 3:22 p. m.
In Vol. M01 Page 6198
Linda Smith,
County Clerk Fee\$ 396⁰⁰