

SECOND AMENDMENT TO AMENDMENT AND RATIFICATION AGREEMENT

The Huntington National Bank ("**Lender**"), Lee Steel Corporation, a Michigan corporation ("**Operating Debtor**"), Taylor Industrial Properties, L.L.C., a Michigan limited liability company ("**Taylor Industrial**"), 4L Ventures, LLC, a Michigan limited liability company ("**4L Ventures**"), and W. Zachary Taylor ("**Mr. Taylor**") enter into this Second Amendment to Amendment and Ratification Agreement (this "**Second Amendment**") on August ___, 2015.

RECITALS

A. Operating Debtor, Taylor Industrial, and 4L Ventures, in their capacity as borrowers and guarantors, are collectively called the "**Debtors**". Debtors and Mr. Taylor, in their capacity as guarantors, are collectively called the "**Guarantors**". Debtors and Guarantors are collectively called the "**Obligors**".

B. Lender and Obligors are parties to an Amendment and Ratification Agreement dated April 15, 2015, as amended by the First Amendment to Post Petition Amendment Agreement dated May 12, 2015, (the "**Post-Petition Amendment Agreement**"). Capitalized terms used but not defined in this Second Amendment have the same meanings as in the Post-Petition Amendment Agreement. If a term is defined both in this Second Amendment and in the Post-Petition Amendment Agreement, then that term has the meaning given to it in this Second Amendment.

C. Obligors have requested that Lender make certain amendments to the Post-Petition Amendment Agreement.

D. Lender agreed to Obligors' request on the terms in this Second Amendment.

AGREEMENT

Lender and Obligors agree that:

1. Acknowledgements.

(a) The Recitals in this Second Amendment and in the Post-Petition Amendment Agreement are accurate and are incorporated into this Second Amendment.

(b) The Obligations, including each Debtor's obligations under the Guaranties, are owing to Lender and its affiliates without setoff, recoupment, defense, or counterclaim, in law or in equity.

(c) The Obligations are secured by valid, perfected, indefeasible, first-priority, Liens in Lender's favor in, among other things, the Collateral, subject only to the liens or encumbrances expressly permitted by the Loan Documents.

(d) This Second Amendment and the other Loan Documents were entered into in exchange for good and valuable consideration.

2. Reaffirmations. Each Obligor:

(a) Reaffirms its obligations and duties under the Loan Documents and agrees that the Guaranties guaranty the Obligations to the extent provided, and as limited in, the Guaranties.

(b) Reaffirms the liens, assignments, and security interests in the Collateral that it granted to Lender under the Loan Documents.

(c) Mr. Taylor's reaffirmation herein is not a waiver of any claims or defenses he may have against Lender.

3. Amendments to the Post-Petition Amendment Agreement. The Post-Petition Amendment Agreement is amended as follows:

(a) ***"Financing Period"*** means the period from the date that the Conditions Precedent are satisfied until the earlier of (x) September 28, 2015, or (y) the date on which an Event of Default occurs.

(b) Clause (b) of Section 5 is amended to read as follows:

(b) During the Financing Period, (i) all interest payments on the Loans must continue to be paid in accordance with the Loan Documents, (ii) all principal payments on the Loans are suspended, (iii) Lender will advance funds to Operating Debtor under the Revolver solely in accordance with the Budget (***"Budget Funding"***). The Obligors represent and warrant that (w) they will fully cooperate with Lender in implementing the Budget and the terms of this Agreement, (x) they will use the Budget Funding only in the amounts, and solely for the purposes, set forth in the Budget, (y) all billings that Debtors expect to bill or collect, and all expenses they expect to incur, through September 28, 2015 are set forth on the Budget, and (z) Debtors will use their best efforts to implement the Budget.

(c) The table in the definition of "Operational Out of Formula" in clause (d) of Section 5 is amended in its entirety to read as follows:

Period	Operational Out of Formula for such Period
Week ended 4/19/15	\$966,134
Week ended 4/26/15	\$396,026
Week ended 5/3/15	\$279,557
Week ended 5/10/15	\$0
Week ended 5/17/15	\$38,352

Week ended 5/24/15	\$877,319
Week ended 5/31/15	\$1,317,663
Week ended 6/7/15	\$1,473,029
Week ended 6/14/15	\$1,320,195
Week ended 6/21/15	\$1,891,041
Week ended 6/28/15	\$1,649,923
Week ended 7/5/15	\$1,985,549
Week ended 7/12/15	\$2,142,415
Week ended 7/19/15	\$2,151,723
Week ended 7/26/15	\$2,725,536
Week ended 8/2/15	\$2,640,088
Week ended 8/9/15	\$2,506,369
Week ended 8/16/15	\$2,485,933
Week ended 8/23/15	\$3,046,942
Week ended 8/30/15	\$3,358,684
Week ended 9/6/15	\$3,424,657
Week ended 9/13/15	\$3,244,125
Week ended 9/20/15	\$3,229,220
Week ended 9/27/15	\$3,496,713

(d) The Budget attached as Exhibit A to the Post-Petition Amendment Agreement is replaced in its entirety by the Budget attached as **Exhibit A** to this Second Amendment.

(e) Clause (d) of Section 9 is amended to read as follows:

(d) Consummation of the sale on or before September 28, 2015.

4. Cash Floor. Debtors must maintain a minimum of \$5,700,000 in cash on hand in Debtors' accounts with Lender (the "**Cash Floor**") from August 28, 2015 until the end of Financing Period, or such earlier date as may be agreed to by Lender in its sole discretion.

5. Conditions Precedent. Lender's obligations under this Second Amendment are not effective or enforceable until each of the following conditions precedent (the "**Second Amendment Conditions Precedent**") have been satisfied to Lender's satisfaction:

(a) The Bankruptcy Court shall have entered an order authorizing, or shall have otherwise consented to, the Debtors entering into this Second Amendment.

(b) Lender receives a fully executed original of this Second Amendment and all Exhibits.

6. Additional Representations. Each Obligor represents and warrants to Lender that:

(a) Each Obligor's execution, delivery, and performance of this Second Amendment and the other Loan Documents: (1) is duly authorized by all necessary

corporate or limited liability company action; (2) does not and will not require consent or approval of its stockholders or members; (3) does not violate any law, rule, regulation, or order; (4) does not violate its articles of incorporation or organization, by-laws, or operating agreement; and (5) is not a default under any indenture, loan agreement, lease, or other agreement.

(b) After giving effect to the amendments in this Second Amendment, all representations and warranties in the Loan Documents are true on and as of this Second Amendment's date.

(c) All persons executing this Second Amendment in a representative capacity have authority to execute this Second Amendment and bind the entity they represent.

7. Loan Documents and Guaranties Continue; Reservation of Rights.

(a) Except as amended by this Second Amendment, all other terms of the Loan Documents remain in full force and effect and are ratified and confirmed.

(b) Nothing in this Second Amendment prejudices Lender's rights and remedies under the Loan Documents or applicable law.

8. Entire Agreement, Etc.

(a) This Second Amendment and the Loan Documents is Obligors' and Lender's entire agreement on this subject. There are no written or oral representations or understandings that are not fully expressed in this Second Amendment.

(b) This Second Amendment is governed by Michigan law, without regard to conflicts of law principles.

(c) This Second Amendment is binding on Lender, Obligors, and their respective successors, assigns, heirs, and personal representatives.

(d) References to the Post-Petition Amendment Agreement and the other Loan Documents mean the Post-Petition Amendment Agreement and other Loan Documents as amended by this Second Amendment. If there is an express conflict between the terms of this Second Amendment and the terms of the Post-Petition amendment Agreement and the other Loan Documents, the terms of this Second Amendment control.

(e) This Second Amendment may be executed in counterparts with the same effect as if all signatories signed the same document. All counterparts must be construed together as one instrument. Facsimile signatures and electronic signatures sent in PDF format are treated as originals.

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Debtors:

LEE STEEL CORPORATION

By: _____
Name: _____
Title: _____

TAYLOR INDUSTRIAL PROPERTIES, L.L.C.

By: _____
Name: _____
Title: _____

4L VENTURES, LLC

By: _____
Name: _____
Title: _____

Lender:

THE HUNTINGTON NATIONAL BANK

By: _____
Name: _____
Title: _____

W. ZACHARY TAYLOR

Exhibits: **A – Budget**

EXHIBIT A – BUDGET

See attached.

DETROIT 50895-24 1361410v3

Lee Steel Corporation																												
Weekly Cash Flow Forecast																												
	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	25 Weeks		
Starting	4/6/15	4/13/15	4/20/15	4/27/15	5/4/15	5/11/15	5/18/15	5/25/15	6/1/15	6/8/15	6/15/15	6/22/15	6/29/15	7/6/15	7/13/15	7/20/15	7/27/15	8/3/15	8/10/15	8/17/15	8/24/15	8/31/15	9/7/15	9/14/15	9/21/15	Total		
Ending	4/12/15	4/19/15	4/26/15	5/3/15	5/10/15	5/17/15	5/24/15	5/31/15	6/7/15	6/14/15	6/21/15	6/28/15	7/5/15	7/12/15	7/19/15	7/26/15	8/2/15	8/9/15	8/16/15	8/23/15	8/30/15	9/6/15	9/13/15	9/20/15	9/27/15			
Opening Cash Balance	187,138	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	187,138	
Cash Receipts:																												
Collections from Future Sales	-	-	-	-	-	-	-	1,543,292	1,714,769	1,954,837	1,028,862	1,954,837	1,954,837	1,954,837	1,954,837	823,089	1,954,837	1,954,837	1,954,837	1,954,837	617,317	1,440,406	1,440,406	1,440,406	1,440,406	1,800,508	28,928,157	
Accounts Receivable Collections	3,209,653	1,384,203	1,336,278	1,317,108	1,317,108	1,317,108	1,293,374	524,452	232,008	76,626	30,942	30,942	30,942	4,420	-	-	-	-	-	-	-	-	-	-	-	-	12,105,164	
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000	80,000	100,000	100,000	380,000	
Total Cash Receipts	3,209,653	1,384,203	1,336,278	1,317,108	1,317,108	1,317,108	1,293,374	2,067,744	1,946,777	2,031,463	1,059,803	1,985,779	1,985,779	1,959,257	823,089	1,954,837	1,954,837	1,954,837	1,954,837	617,317	1,440,406	1,440,406	1,520,406	1,540,406	1,900,508	41,413,321		
Cash Disbursements:																												
Debt Payments	-	-	-	43,711	-	-	-	-	43,711	-	-	-	43,711	-	-	-	43,711	-	-	-	-	-	43,711	-	-	-	218,554	
Line of Credit Interest	-	-	-	40,300	-	-	-	-	44,400	-	-	-	45,400	-	-	-	44,300	-	-	-	-	-	44,600	-	-	-	219,000	
Payroll	87,647	97,647	87,647	87,647	87,647	97,647	87,647	87,647	87,647	87,647	87,647	87,647	87,647	87,647	97,647	87,647	87,647	87,647	87,647	87,647	87,647	87,647	87,647	87,647	62,500	62,500	62,500	2,140,585
Rent and Lease Payments	-	2,984	-	10,000	-	2,984	-	10,000	-	-	-	2,984	10,000	-	-	2,984	-	10,000	-	-	-	2,984	-	-	-	2,984	67,906	
CAPEX	108,960	22,500	-	-	-	22,500	-	-	-	-	22,500	-	-	-	-	22,500	-	-	-	-	-	22,500	-	-	-	-	221,460	
Property Taxes	-	-	-	-	-	-	-	-	-	-	10,866	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,732	
Insurance	-	-	-	25,365	45,000	-	-	-	70,365	-	-	-	70,365	-	-	-	25,365	45,000	-	-	-	150,000	70,365	-	-	-	501,825	
Utilities	-	155,000	-	-	-	115,000	-	-	-	-	115,000	-	-	146,000	-	115,000	-	-	115,000	-	-	115,000	-	-	-	65,000	680,000	
Professional Fees	287,500	-	-	-	-	-	-	515,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,846,350	
Disbursements to Major Mills	205,920	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	205,920	
Future Steel Purchases	-	432,400	625,000	1,007,400	1,375,000	1,750,000	1,800,000	1,750,000	1,425,000	1,561,257	1,311,257	1,460,263	811,898	1,246,774	734,401	1,075,983	956,430	1,225,983	1,225,983	1,195,537	1,195,537	1,067,444	853,955	1,067,444	1,067,444	1,067,444	28,222,392	
Critical vendor payments	-	1,084,012	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,084,012	
Other Non Steel - Est	129,293	185,000	185,000	185,000	187,500	185,000	185,000	185,000	187,500	185,000	300,000	185,000	185,000	182,500	180,000	180,000	165,000	167,500	165,000	165,000	165,000	315,000	127,500	125,000	200,000	125,000	4,566,793	
Other Disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Cash Disbursements	819,320	1,979,544	897,647	1,399,423	1,695,147	2,173,131	2,587,847	2,032,647	1,858,623	1,833,904	2,263,454	1,742,910	1,244,021	1,662,921	1,152,533	1,931,680	1,332,452	1,526,130	1,629,115	1,859,384	1,758,184	1,416,120	1,041,455	1,408,794	1,750,144	40,996,530		
Operating Cash Flow	2,390,332	(595,340)	438,631	(82,315)	(378,039)	(856,023)	(1,294,473)	35,097	88,154	197,558	(1,203,651)	242,869	741,758	296,336	(329,443)	23,157	622,384	428,707	325,722	(1,242,067)	(317,778)	124,286	478,951	131,612	150,364	416,791		
Net Increase (Decrease) in Cash	(187,138)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	(187,138)	
Ending Cash Balance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Line of Credit																												
Beginning Balance (Line ex. LCs)	27,870,000	25,292,530	25,887,870	25,449,239	25,531,553	25,909,592	26,765,615	28,060,087	28,024,990	27,936,836	27,739,277	28,942,929	28,700,060	27,958,302	27,661,966	27,991,409	27,968,253	27,345,868	26,917,162	26,591,439	27,833,506	28,151,284	28,026,998	27,548,047	27,416,435	27,416,435		
Change	(2,577,470)	595,340	(438,631)	82,315	378,039	856,023	1,294,473	(35,097)	(88,154)	(197,558)	1,203,651	(242,869)	(741,758)	(296,336)	329,443	(23,157)	(622,384)	(428,707)	(325,722)	1,242,067	317,778	(124,286)	(478,951)	(131,612)	(150,364)			
Ending Balance	25,292,530	25,887,870	25,449,239	25,531,553	25,909,592	26,765,615	28,060,087	28,024,990	27,936,836	27,739,277	28,942,929	28,700,060	27,958,302	27,661,966	27,991,409	27,968,253	27,345,868	26,917,162	26,591,439	27,833,506	28,151,284	28,026,998	27,548,047	27,416,435	27,266,071			
Interest Expense - LOC				40,300					44,400				45,400					44,300								44,600		

