

This instrument prepared by:
J. David Dresher
Bradley, Arant, Rose & White
1400 Park Place Tower
2001 Park Place
Birmingham, Alabama 35203

**FIRST AMENDMENT TO
AMENDED AND RESTATED MORTGAGE AND SECURITY AGREEMENT**

This First Amendment to Amended and Restated Mortgage and Security Agreement (this "Amendment") is made and entered into on or as of the 3rd day of October, 1994, between CITATION CORPORATION, a Delaware corporation, as successor to CITATION CORPORATION, an Alabama corporation, formerly known as Citation Carolina Corp. ("Mortgagor") and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association ("Mortgagee").

RECITALS:

A. Mortgagor entered into that certain Amended and Restated Mortgage and Security Agreement in favor of Mortgagee dated January 14, 1994, which was recorded in the Office of the Judge of Probate of Shelby County, Alabama in Instrument #1994-02553 (the "Mortgage"). The Mortgage was issued under and in accordance with the terms of a Second Amended and Restated Loan Agreement dated January 14, 1994 (the "Second Restated Loan Agreement") as security for, among other obligations, the Loans (as defined in the Second Restated Loan Agreement).

B. Under the terms of the Second Restated Loan Agreement, Mortgagee made certain loans (the "Loans") to Mortgagor in the aggregate principal amount of \$50,981,803.16. The Loans were evidenced by the Notes. Notwithstanding the face amount of the Notes, the total indebtedness secured by the Mortgage was limited to the principal sum of \$25,000,000, plus interest thereon and certain other costs and expenses described therein.

C. In accordance with the terms of a Third Amended and Restated Loan Agreement of even date herewith (the "Third Restated Loan Agreement"), Mortgagee has agreed, among other things, to modify the Loans in certain respects and to reduce the total indebtedness secured by the Mortgage to \$18,000,000, plus interest thereon and certain other costs and expenses described therein, and Mortgagor and Mortgagee desire to enter into this Amendment to evidence such modification.

Inst # 1994-30495

**10/06/1994-30495
01:04 PM CERTIFIED**

**SHELBY COUNTY JUDGE OF PROBATE
003 MCD 14.50**

D. In connection with the Third Restated Loan Agreement, the indebtedness evidenced by the Notes is being amended and restated, and will continue in effect and will continue to be secured by the Mortgage.

E. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Third Restated Loan Agreement.

NOW, THEREFORE, in consideration of the recitals and other good and valuable consideration given by Mortgagee to Mortgagor, the receipt of which is hereby acknowledged by Mortgagor, Mortgagor and Mortgagee agree that the Mortgage is amended as follows:

1. The maximum principal indebtedness secured by the Mortgage is hereby reduced to \$18,000,000, plus interest thereon and certain other costs and expenses described in the Third Restated Loan Agreement.

2. The Mortgage shall continue to secure the indebtedness described therein, including, without limitation, the Loans, the Notes (as amended, restated and consolidated on the date hereof), the Obligations under the Second Restated Loan Agreement (as amended, restated and consolidated pursuant to the Third Restated Loan Agreement), and the other indebtedness and obligations described therein to be secured thereby, and shall continue to encumber all of the land, real estate, buildings, improvements, fixtures, furniture, equipment and other personal property described therein.

3. Except as amended hereby, the Mortgage is unchanged, and the same is hereby ratified and confirmed in all respects by Mortgagor.

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

MORTGAGOR:

CITATION CORPORATION

By: R. Conner Warren
R. Conner Warren
Executive Vice President

MORTGAGEE:

SOUTHTRUST BANK OF ALABAMA,
NATIONAL ASSOCIATION

By: Stephen F. Kelly
Its: The President

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that R. Conner Warren, whose name as Executive Vice President of CITATION CORPORATION, a 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 the instrument, he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

19 94. Given under my hand and seal of office this 30th day of September,

Mary Bonano
Notary Public

[NOTARIAL SEAL]

My Commission Expires Sept. 4, 1995

My commission expires: _____

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

Inst # 1994-30495

10/06/1994-30495
01:04 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
003 NCD 14.50

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Stephen F. Vickery, whose name as Vice President of SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association, 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 the instrument, he as such officer, and with full authority, executed the same voluntarily for and as the act of said association.

19 94. Given under my hand and seal of office this 3rd day of October,

Harmon O. Barlow
Notary Public

[NOTARIAL SEAL]

My commission expires: 1-5-98