

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

BROBECK, PHLEGER & HARRISON
550 South Hope Street
Los Angeles, California 90071
Attention: Marcia R. Zylber, Esq.

Inst # 1995-31502

11/01/1995-31502
02:40 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE

(Space of This Line For Recorder's Use Only)

STATE OF ALABAMA)
COUNTY OF SHELBY)

**FIRST AMENDMENT TO MORTGAGE, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS FIRST AMENDMENT TO MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "Amendment") is entered into as of September 28, 1995, by and between National-Standard Company, an Indiana corporation ("Mortgagor") with its chief executive office located at 1618 Terminal Road, Niles, Michigan 49120; and Foothill Capital Corporation, a California corporation ("Mortgagee"), with a place of business located in County of Los Angeles, State of California at 11111 Santa Monica Boulevard, Suite 1500, Los Angeles, California 90025-3333, with reference to the following facts:

WHEREAS, Mortgagor has previously executed in favor of Mortgagee that certain Mortgage, Assignment of Rents, Security Agreement and Fixture Financing Statement, made as of May 24, 1994 and recorded on June 13, 1994 in the office of the County Clerk, Shelby County, Alabama, as Instrument Number 1994-18838 (the "Mortgage");

WHEREAS, the Mortgage encumbers certain personal and real estate located in Shelby County, Alabama, as more particularly described in Exhibit "A" attached hereto;

WHEREAS, the Mortgage secures, among other things, the payment and performance of all obligations under that certain Loan and Security Agreement, entered into as of May 24, 1994, by and between Mortgagor and Mortgagee (the "Loan Agreement") and the other Loan Documents as defined and more fully described therein;

WHEREAS, in order to restructure the obligations of Mortgagor under the Loan Agreement, Mortgagor and Mortgagee are executing that certain Amendment Number One to Loan and Security Agreement entered into as of September 1, 1995 ("Amendment Number One") (the "Loan Agreement", as amended by Amendment Number One, shall hereinafter be referred to as the "Loan and Security Agreement"); and

WHEREAS, subject to the terms and conditions of the Loan and Security Agreement, the Mortgagor and Mortgagee desire to amend the Mortgage to modify the description of the obligations secured thereby and such other matters as set forth below.

Mike A.

NOW, THEREFORE, in consideration of the above recitals and the advances, credit and other financial accommodations heretofore and hereinafter made to Mortgagor by Mortgagee, Mortgagee and Mortgagor hereby agree as follows:

1. Recitals. The foregoing recitals hereby are made a part hereof.
2. Capitalized Terms. All capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Loan and Security Agreement.
3. Amendment. The Mortgage is hereby amended as follows:

A. Amount of Indebtedness. The Witnesseth paragraph set forth on page 1 of the Mortgage is hereby deleted and replaced with the following:

W I T N E S S E T H

Mortgagor is justly indebted to Mortgagee in the maximum principal sum of Fifty Million and No/100 Dollars (\$50,000,000.00), as evidenced, among other things, by the Notes (as hereinafter defined), executed by Mortgagor in favor of Mortgagee. Mortgagor has agreed to grant this Mortgage as partial security for said indebtedness; provided, however, that the parties acknowledge and agree that this Mortgage secures only Five Hundred Thousand and No/100 Dollars (\$500,000.00) of the total indebtedness described above. All capitalized terms not defined herein shall have the meanings assigned to them in the Loan and Security Agreement.

B. The Secured Obligations. The Secured Obligations paragraph beginning on page 4 of the Mortgage is hereby deleted and replaced with the following:

SECURED OBLIGATIONS

Mortgagor has bargained and sold, and does hereby grant, bargain, sell, alienate and convey the Mortgaged Property to Mortgagee for the purpose of securing: (1) the payment and performance of each and every obligation and agreement of Mortgagor to Mortgagee under that certain Loan and Security Agreement entered into as of May 24, 1994, by and between Mortgagor and Mortgagee (the "Loan Agreement"), as amended by that certain Amendment Number One to Loan and Security Agreement entered into as of September 1, 1995, by and between Mortgagor and Mortgagee, ("Amendment Number One") (the Loan Agreement, as amended by Amendment Number One, shall hereinafter be referred to as the "Loan and Security Agreement"), including (a) the revolving advances to Mortgagor in an amount not to exceed the lesser of the Borrowing Base or an amount equal to Mortgagor's and Guarantor's aggregate cash collections with respect to Accounts for the immediately preceding ninety (90) day period, not to exceed the Maximum Revolving Credit Amount; (b) the commercial or standby letters of credit for the account of Mortgagor or standby letters of credit or guarantees of payment with respect to commercial or standby letters of credit issued by another Person for the account of Mortgagor in an aggregate face amount not to exceed

the lesser of: (i) the Borrowing Base less the amount of advances outstanding pursuant to Section 2.1 of the Loan and Security Agreement, and (ii) Four Million Dollars (\$4,000,000); (c) the Equipment Term Loan in the original principal amount of Ten Million Dollars (\$10,000,000), to be evidenced by and repayable in accordance with the terms and conditions of the Equipment Term Note; (d) the Real Property Term Loan to Mortgagor in the original principal amount of Five Million Dollars (\$5,000,000), to be evidenced by and repayable in accordance with the terms and conditions of the Real Property Term Note; and (e) the series of term loans to Mortgagor in an aggregate amount at any one time outstanding of up to Five Million Dollars (\$5,000,000), to be evidenced by and repayable in accordance with the terms and conditions of the New Equipment Term Note (the Equipment Term Note, the New Equipment Term Note and the Real Property Term Note shall hereafter be referred to collectively as the "Notes"); (2) the payment and performance by Mortgagor of all covenants, warranties, and other obligations of Mortgagor under this Mortgage; (3) payment and performance of all future advances and other obligations that the then record owner of all or part of the Mortgaged Property may agree to pay or perform or both pay and perform, as the case may be (whether as principal, surety or guarantor) for the benefit of Mortgagee, when the obligation is evidenced by a writing reciting that it is secured by this Mortgage; (4) all interest and charges on all obligations secured hereby, including, without limitation, prepayment charges, late charges, court costs, attorneys' fees, and loan fees; and (5) all modifications, amendments, restatements, extensions, supplements, replacements and renewals of one or more of the obligations secured hereby, including, without limitation, (a) modifications of the required principal payment dates or interest payment dates, as the case may be, deferring or accelerating payment dates wholly or partly, and (b) modifications, extensions or renewals at a different rate of interest, whether or not in the case of a note, the modification, extension or renewal is evidenced by a new or additional promissory note or other instrument.

The obligations described above which are secured by this Mortgage are collectively referred to herein as "Secured Obligations." All persons who may have or acquire an interest in the Mortgaged Property shall be deemed to have notice of the terms of the Secured Obligations.

4. Mortgage. Each reference in the Mortgage to "this Mortgage", "hereunder", "herein", "hereof" or words of like import referring to the Mortgage shall mean and refer to the Mortgage as amended by this Amendment.

5. Mortgagor; Mortgagee. Each reference in the Original Mortgage to "Borrower" and "Lender" or words of like import shall mean and refer to "Mortgagor" and "Mortgagee", respectively.

6. Loan. Each reference in the Mortgage to "the Loan" or words of like import referring to the Loan shall mean and refer to all Obligations under the Loan and Security Agreement.

7. Loan Agreement. Each reference in the Mortgage to "the Loan Agreement", the "Loan Documents", "thereunder", "therein", "thereof" or words of like import shall mean and refer to the Loan and Security Agreement and the Loan Documents as defined in the Loan and Security Agreement.

8. Note. Each reference in the Mortgage to "the Note", "the Notes", "thereunder", "therein", "thereof" or words of like import referring to or including the Note shall mean and collectively refer to all notes evidencing the Obligations under the Loan and Security Agreement, including but not limited to, the Equipment Term Note, the New Equipment Term Note, and the Real Property Term Note.

9. Ratification. The Mortgage, as amended hereby, shall be and remain in full force and effect in accordance with its terms and is hereby ratified and confirmed in all respects.

10. Binding Obligations. Mortgagor hereby represents and warrants that the Mortgage, as amended hereby, constitutes the legal, valid, and binding obligations of Mortgagor, enforceable against Mortgagor in accordance with its terms.


11. Priority. The parties hereto acknowledge that this Amendment is intended to clarify the provisions of the Mortgage regarding the Secured Obligations and should not be construed to affect the priority of the Mortgage.

12. Authority. The execution of this Amendment by the Mortgagor has been duly authorized by Mortgagor's Board of Directors.

IN WITNESS WHEREOF, this Amendment has been duly executed as of the date first written above.


"MORTGAGOR":

NATIONAL-STANDARD COMPANY,
an Indiana corporation

By: 
Name: D. L. Lawrence
Its: Treasurer & Assistant Secretary

"MORTGAGEE":

FOOTHILL CAPITAL CORPORATION,
a California corporation

By: 
Name: Michael K. Parker
Its: Asst. Vice President

STATE OF Michigan)
) ss
COUNTY OF Berrien)

On October 9, 1995, before me, Janice M. Schrader, Notary Public, personally appeared D. L. Lawrence, the Treasurer & Assistant Secretary of National-Standard Company, an Indiana corporation, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

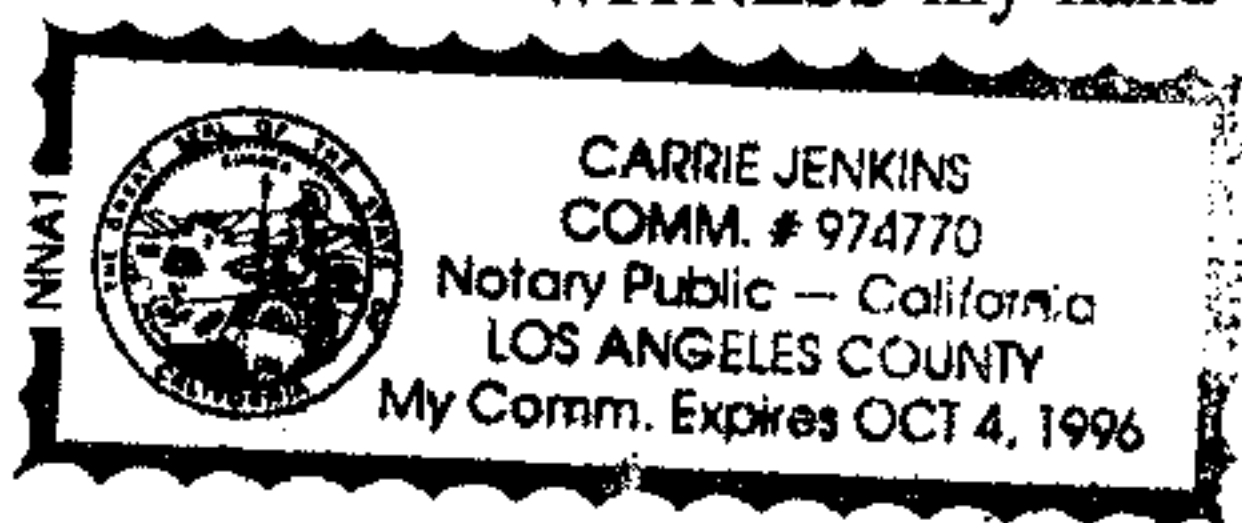
[SEAL]

Janice M. Schrader
Signature
My commission expires 6-5-96

STATE OF California)
) ss
COUNTY OF Los Angeles)

On October 12, 1995, before me, Carrie Jenkins, Notary Public,
personally appeared Michael K. Parker, the AVP
of Foothill Capital Corporation, personally known to me (~~or proved to me on the basis of~~
~~satisfactory evidence~~) to be the person whose name is subscribed to the within instrument and
acknowledged to me that he/~~she~~ executed the same in his/~~her~~ authorized capacity, and that by
his/~~her~~ signature on the instrument the person, or the entity upon behalf of which the person
acted, executed the instrument.

WITNESS my hand and official seal.



Carrie Jenkins
Signature

[SEAL]

EXHIBIT "A"

(Legal Description)

Exhibit "A" to First Amendment to Mortgage, Assignment of Rents, Security Agreement and Fixture Filing, entered into as of September 28, 1995, by and between National-Standard Company, an Indiana corporation, as Mortgagor, and Foothill Capital Corporation, a California corporation, as Mortgagee.

Commence at the Southwest corner of Section 23, Township 21 South, Range 1 West, Shelby County, Alabama; thence proceed North 00 degrees 07 minutes 39 seconds West along the West boundary of said Section for a distance of 123.94 feet to the point of beginning; from this beginning point proceed South 89 degrees 50 minutes 44 seconds East for a distance of 350.40 feet; thence proceed South 00 degrees 23 minutes 31 seconds West for a distance of 81.90 feet; thence proceed South 89 degrees 28 minutes 43 seconds East for a distance of 336.30 feet; thence proceed North 00 degrees 24 minutes 17 seconds East for a distance of 833.20 feet; thence proceed South 89 degrees 37 minutes 19 seconds East for a distance of 75.98 feet; thence proceed North 00 degrees 25 minutes 57 seconds East for a distance of 372.52 feet; thence proceed South 88 degrees 26 minutes 13 seconds West for a distance of 774.63 feet; thence proceed South 88 degrees 47 minutes 14 seconds West for a distance of 638.09 feet; thence proceed South 00 degrees 06 minutes 26 seconds West for a distance of 2650.95 feet to a point on the Northerly right-of-way line of Alabama Highway No. 70; thence proceed North 88 degrees 39 minutes 51 seconds East along the Northerly right-of-way line of said highway for a distance of 135.0 feet to a point on the Westerly boundary of Industry Road; thence proceed Northeasterly along the Westerly boundary of said Industry Road for a distance of 330.22 feet, a chord bearing and distance of North 20 degrees 51 minutes 50 seconds East for 321.42 feet; thence proceed North 37 degrees 03 minutes 43 seconds West for a distance of 277.64 feet; thence proceed North 02 degrees 15 minutes 02 seconds West for a distance of 127.60 feet; thence proceed North 01 degrees 23 minutes 58 seconds East for a distance of 246.04 feet; thence proceed North 31 degrees 09 minutes 44 seconds East for a distance of 70.01 feet; thence proceed North 43 degrees 41 minutes 43 seconds East for a distance of 91.79 feet; thence proceed North 57 degrees 58 minutes 50 seconds East for a distance of 65.85 feet; thence proceed North 78 degrees 14 minutes 18 seconds East for a distance of 40.10 feet; thence proceed North 83 degrees 10 minutes 46 seconds East for a distance of 125.74 feet; thence proceed South 86 degrees 06 minutes 11 seconds East for a distance of 117.09 feet; thence proceed North 00 degrees 11 minutes 44 seconds East for a distance of 435.86 feet; thence proceed North 57 degrees 16 minutes 02 seconds East for a distance of 102.94 feet; thence proceed South 89 degrees 50 minutes 44 seconds East for a distance of 38.93 feet to the point of beginning. The above described land is located in the Southwest One-Fourth of the Southwest One-Fourth of Section 23, the Southeast One-Fourth of the Southeast One-Fourth of Section 22, and the East One-Half of the Northeast One-Fourth of Section 27, Township 21 South, Range 1 West, Shelby County, Alabama. According to survey of R. Edward Gilliland, RLS #15919, dated June 14, 1990.

Exhibit "A"

Page 1 of 2

Also, Commence at a corner accepted as the Southwest corner of the Northwest One-Fourth of the Southwest One-Fourth of Section 23, Township 21 South, Range 1 West, Shelby County, Alabama, as the point of beginning. From this beginning point proceed North 00 degrees 02 minutes 15 seconds West for a distance of 1304.78 feet to an iron corner in place, said corner accepted as the Northwest corner of said Quarter-Quarter; thence proceed South 88 degrees 40 minutes 38 seconds East along the North boundary of said Quarter-Quarter Section for a distance of 39.65 feet; thence proceed South 22 degrees 35 minutes 07 seconds East for a distance of 46.55 feet; thence proceed North 88 degrees 50 minutes 36 seconds East for a distance of 70.83 feet; thence proceed South 12 degrees 52 minutes 39 seconds East for a distance of 156.99 feet; thence proceed South 54 degrees 59 minutes 35 seconds West for a distance of 47.26 feet; thence proceed South 28 degrees 55 minutes 37 seconds East for a distance of 100.02 feet; thence proceed South 78 degrees 04 minutes 09 seconds East for a distance of 146.76 feet; thence proceed South 21 degrees 33 minutes 18 seconds East for a distance of 85.72 feet; thence proceed South 28 degrees 55 minutes 37 seconds East for a distance of 289.06 feet; thence proceed South 08 degrees 44 minutes 15 seconds East for a distance of 185.43 feet; thence proceed South 56 degrees 19 minutes 51 seconds East for a distance of 152.08 feet; thence proceed South 09 degrees 16 minutes 33 seconds East for a distance of 364.28 feet; thence proceed South 00 degrees 51 minutes 17 seconds East for a distance of 72.71 feet; thence proceed South 88 degrees 26 minutes 13 seconds West for a distance of 700.13 feet; thence proceed North 01 degrees 06 minutes 56 seconds West for a distance of 87.36 feet to the point of beginning. The above described land is located in the Northwest One-Fourth of the Southwest One-Fourth and the Southwest One-Fourth of the Southwest One-Fourth of Section 23, Township 21 South, Range 1 West, Shelby County, Alabama. According to survey of R. Edward Gilliland, RLS #15919, dated June 14, 1990.

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