

This instrument  
prepared by:  
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500 Woodward Avenue  
Suite 4000  
Detroit, Michigan 48226

Alabama: Shelby County

**ASSIGNMENT OF AND THIRD AMENDMENT TO  
AMENDED AND RESTATED MORTGAGE AND SECURITY AGREEMENT**

This Assignment of and Third Amendment to Amended and Restated Mortgage and Security Agreement (this "Amendment") is made and entered into on or as of the 1st day of July, 1996, between Citation Corporation, a Delaware corporation, as successor to CITATION CORPORATION, an Alabama corporation, formerly known as Citation Carolina Corp. ("Mortgagor"), SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association, individually as the original mortgagee (the "Original Lender"), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, as collateral agent and successor mortgage (in such capacity, the "Collateral Agent") for the lenders from time to time parties to the Credit Agreement (as defined in Recital F below).

**RECITALS:**

A. Pursuant to the terms of a Second Amended and Restated Loan Agreement dated January 14, 1994 (the "Second Restated Loan Agreement"), the Original Lender made certain loans (the "Loans") to Mortgagor in the aggregate principal amount of \$50,981,803.16. The Loans were evidenced by certain promissory notes (the "Notes").

B. In accordance with the terms of the Second Restated Loan Agreement, Mortgagor entered into an Amended and Restated Mortgage and Security Agreement in favor of the Original Lender dated January 14, 1994, which was recorded in the Office of the Judge of Probate of Shelby County, Alabama in instrument #1994-02553 (the "Restated Mortgage"). The Mortgage was issued as security for, among other obligations, the Loans. 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. Under the terms of a Third Amended and Restated Loan Agreement dated October 3, 1994 (the "Third Restated Loan Agreement"), the Original Lender agreed, among other things, to modify the Loans in certain respects, and, in particular, to amend and consolidate the Loans into one loan (the "Loan"), to amend and consolidate the Notes into one note (the "Note") and to reduce the total indebtedness secured by the Mortgage to \$18,000,000, plus

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interest thereon and certain other costs and expenses described therein. Accordingly, Mortgagor and the Original Lender entered into that certain First Amendment to Amended and Restated Mortgage and Security Agreement dated October 3, 1994, which was recorded in the Office of the Judge of Probate of Shelby County, Alabama in instrument #1994-30495 (the "First Amendment to the Restated Mortgage") to evidence such modifications.

D. In accordance with the terms of a Fourth Amended and Restated Loan Agreement dated August 1, 1995 (as amended or modified from time to time, the "Fourth Restated Loan Agreement"), Mortgagor and the Original Lender agreed to modify the terms of the Loan in certain respects and to make corresponding modifications to the Note. Accordingly, Mortgagor and the Original Lender entered into that certain Second Amendment to Amended and Restated Mortgage and Security Agreement dated August 1, 1995, which was recorded in the Office of the Judge of Probate of Shelby County, Alabama in instrument #1995-20597 (the "Second Amendment to the Restated Mortgage") to evidence such modifications (the Restated Mortgage, as amended by the First Amendment to Restated Mortgage and as further amended by the Second Amendment to Restated Mortgage, is hereinafter referred to as the "Mortgage").

E. The Original Lender transferred indirect participation interests in the rights and obligations of the Original Lender under the Fourth Restated Loan Agreement and the Mortgage to certain of the Banks (as defined below).

F. In accordance with the terms of a Credit Agreement dated as of even date herewith, as amended or modified from time to time (the "Credit Agreement"), by and among the Mortgagor, the subsidiaries of the Mortgagor parties thereto from time to time (with the Mortgagor, collectively the "Borrowers"), the banks and other lenders parties thereto from time to time (the "Banks"), NBD Bank, a Michigan banking corporation, as administrative and syndication agent (in such capacity, the "Administrative Agent"), and the Collateral Agent (together with the Administrative Agent, collectively the "Agents" and individually an "Agent"), the parties thereto have amended and restated the Fourth Restated Loan Agreement in order to, among other things, provide for direct participation by the Banks, and establish NBD Bank as the Administrative Agent and SouthTrust Bank of Alabama, National Association as the Collateral Agent.

G. Pursuant to that certain Assignment of Note and Collateral dated as of even date herewith, a copy of which is attached hereto as Exhibit A (the "Assignment"), the Original Lender has assigned all of its rights and obligations under the Mortgage to the Collateral Agent.

H. Mortgagor, the Original Lender and the Collateral Agent now desire to enter into this Amendment in order to, among other things, place of record the assignment of the Mortgage from the Original Lender to the Collateral Agent pursuant to the Assignment, and confirm that the Mortgage will continue to secure, among other obligations, the Notes (as defined in the Credit Agreement), which are, and are intended to be, in part an amendment and restatement of the indebtedness outstanding under the Fourth Restated Loan Agreement.



NOW, THEREFORE, in consideration of the recitals and other good and valuable consideration, the receipt of which is hereby acknowledged, Mortgagor, the Original Lender and the Collateral Agent agree as follows:

1. Subject to the terms and conditions of the Assignment, the Original Lender sells and assigns to the Collateral Agent, and the Collateral Agent, on behalf of the Agents and the Banks, accepts and assumes from the Original Lender, all of the rights and obligations of the Original Lender under the Mortgage.

2. References in the Mortgage, as amended by this Amendment, are amended to have the following respective meanings:

(a) References to the "Loan Agreement" shall mean the Credit Agreement, as the same may be amended, supplemented, extended, renewed, restated or otherwise modified from time to time hereafter, and shall include each and every agreement given as an amendment, supplement, extension, renewal, restatement or other modification to the Credit Agreement, and shall include any other written agreement which purports to constitute an amendment, supplement, renewal, extension, restatement or other modification of the Credit Agreement or any of the other foregoing instruments and agreements;

(b) References to the "Note" or "Notes" shall mean the Notes (as defined in the Credit Agreement);

(c) References to the "Loan Documents" shall mean the Loan Documents (as defined in the Credit Agreement); and

(d) References in the Mortgage to the Original Lender, including, without limitation, as the "Lender", and including all pronouns understood in the context to mean the Original Lender, shall be deemed references to the Collateral Agent, except in Paragraphs 1.1 and 1.3 of the Mortgage, where such references shall be deemed replaced with the words the "Banks and the Agents", and the Collateral Agent, for the benefit of the Agents and the Banks, shall have the benefit of all security and other rights and benefits provided for under the Mortgage as fully as if the Collateral Agent were named therein at each place where there is such a reference to the Original Lender.

3. Section 3.11 is added to the Mortgage as follows:

3.11 The Mortgagor hereby acknowledges that to the extent this Mortgage provides certain rights to the Mortgagee, the Mortgagee's exercise of such rights is subject to the terms and conditions of the Loan Agreement applicable thereto, if any.

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

5. Capitalized terms used but not defined herein shall have the respective meanings ascribed thereto in the Credit Agreement.

6. This Amendment may be executed upon any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, Mortgagor, the Original Lender and the Collateral Agent 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

Its: V.P.

MORTGAGEE, in its capacities as the  
Original Lender and the Collateral  
Agent:

SOUTHTRUST BANK OF ALABAMA,  
NATIONAL ASSOCIATION

By: \_\_\_\_\_  
Its: Vice 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 V.P. of CITATION 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 the instrument, he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this 26 day of June, 1996.

Christy B. Han  
Notary Public

[NOTARIAL SEAL]

My commission ~~MY~~ COMMISSION EXPIRES MAY 31, 1998

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

MORTGAGOR:

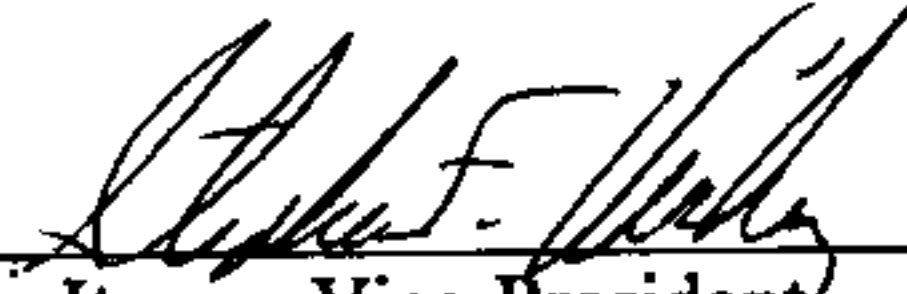
CITATION CORPORATION

By: \_\_\_\_\_

Its: \_\_\_\_\_

MORTGAGEE, in its capacities as the  
Original Lender and the Collateral  
Agent:

SOUTHTRUST BANK OF ALABAMA,  
NATIONAL ASSOCIATION

By:   
Its: Vice President

STATE OF ALABAMA     )  
                                  )  
JEFFERSON COUNTY    )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that \_\_\_\_\_, whose name as \_\_\_\_\_ of CITATION 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 the instrument, he as such officer, and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and seal of office this \_\_\_\_\_ day of June, 1996.

[NOTARIAL SEAL]

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

STATE OF ALABAMA     )  
                                      )  
JEFFERSON COUNTY     )

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.

Given under my hand and seal of office this 26<sup>th</sup> day of June, 1996.

Rhonda M. L. Darden  
Notary Public

[NOTARIAL SEAL]

My commission expires: 6/14/98



## EXHIBIT A

### ASSIGNMENT OF NOTE AND COLLATERAL

THIS ASSIGNMENT OF NOTE AND COLLATERAL, dated as of July 1, 1996 (this "Agreement"), is by and among CITATION CORPORATION, a Delaware corporation ("Citation"), CITATION AUTOMOTIVE SALES CORP., a Michigan corporation, MANSFIELD FOUNDRY CORPORATION, an Ohio corporation formerly named MFC Acquisition Corporation, IROQUOIS FOUNDRY CORPORATION, a Wisconsin corporation formerly named Iroquois Acquisition Corporation, OBERDORFER INDUSTRIES CORP., a New York corporation formerly named OBI Acquisition Corp., BERLIN FOUNDRY CORPORATION, a Wisconsin corporation, PENNSYLVANIA STEEL FOUNDRY & MACHINE COMPANY, a Pennsylvania corporation, CASTWELL PRODUCTS, INC., an Illinois corporation, TSC ACQUISITION CORPORATION, a Texas corporation, HTC ACQUISITION CORPORATION, an Indiana corporation, and SOUTHERN ALUMINUM CASTINGS COMPANY, an Alabama corporation (collectively the "Original Participating Subsidiaries" and individually an "Original Participating Subsidiary", and, together with Citation, collectively the "Original Borrowers" and individually an "Original Borrower"), SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association (the "Original Lender"), NBD BANK, a Michigan banking corporation, as administrative and syndication agent (in such capacity, the "Administrative Agent") for the banks and other lenders parties to the New Credit Agreement (as defined in Introduction paragraph D below), and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION, a national banking association, as collateral agent (in such capacity, the "Collateral Agent", and, together with the Administrative Agent, collectively the "Agents" and individually an "Agent").

### INTRODUCTION

A. The Original Borrowers and the Original Lender are parties to the Fourth Amended and Restated Loan Agreement, dated as of August 1, 1995, as amended by the First Amendment to Fourth Amended and Restated Loan Agreement, dated as of April 1, 1996 (the "Original Credit Agreement"), pursuant to which the Original Lender provides to the Original Borrowers a revolving credit facility, including letters of credit, for working capital and general corporate purposes, including acquisitions, as evidenced by the Revolving Note dated August 1, 1995, as modified by the Note Modification Agreement dated April 1, 1996, in the principal amount of \$175,000,000, issued by the Original Borrowers in favor of the Original Lender (the "Original Note").

B. To provide security for their borrowings and other obligations under the Original Credit Agreement and the Original Note, the Original Borrowers have executed in favor of the Original Lender the pledge agreement, security agreements, mortgages and deeds of trust identified on Exhibit A attached hereto, together with related stock powers and assignments, UCC



financing statements and other related documents and instruments (collectively the "Security Documents" and individually a "Security Document").

C. The Original Lender has transferred indirect participation interests in the rights and obligations of the Original Lender under the Original Credit Agreement, the Original Note and the Security Documents to certain lenders (such lenders, in that capacity, hereinafter are referred to collectively as the "Original Participants" and individually as an "Original Participant").

D. Citation, the Original Participating Subsidiaries and certain other subsidiaries of Citation (collectively the "New Borrowers" and individually a "New Borrower"), the lenders identified therein, including, among others, the Original Participants (collectively the "Banks" and individually a "Bank"), and the Agents are now amending and restating the Original Credit Agreement in order to, among other things, provide for direct participation by the Banks, establish NBD Bank as the Administrative Agent and SouthTrust Bank of Alabama, National Association as Collateral Agent, and increase the amount of the revolving credit facility provided to the New Borrowers, all pursuant to the Credit Agreement dated as of even date herewith (as amended or modified from time to time, the "New Credit Agreement").

NOW, THEREFORE, in consideration of the premises and of the mutual agreements herein contained, the parties hereto agree as follows, effective as of the time of the first borrowing under the New Credit Agreement:

1. The Original Lender hereby sells and assigns to the Administrative Agent, and the Administrative Agent, on behalf of the Banks, accepts and assumes from the Original Lender (a) the Original Note, and (b) all of the rights and obligations of the Original Lender under the Original Credit Agreement and the Original Note.

2. The Original Lender hereby sells and assigns to the Collateral Agent, and the Collateral Agent, on behalf of the Agents and the Banks, accepts and assumes from the Original Lender, all of the rights and obligations of the Original Lender under the Security Documents.

3. The Original Lender represents and warrants that:

- (a) It is the legal and beneficial owner of the interests being assigned by it hereunder and such interests are free and clear of any adverse claim; and
- (b) The aggregate principal amount owing to it under the Original Credit Agreement and the Original Note is \$136,841,784.71 (the "Assigned Debt").

4. All references to the Original Lender, including all pronouns understood in the context to mean the Original Lender, in the Original Credit Agreement and the Original Note shall be deemed references to the Administrative Agent, and the Administrative Agent, for the benefit of the Banks, shall thereafter have the benefit of all rights and benefits provided for therein as fully as if the Administrative Agent were named therein at each place where there is such a reference to the Original Lender.

5. All reference to the Original Lender, including all pronouns understood in the context to mean the Original Lender, in the Security Documents shall be deemed references to the Collateral Agent, and the Collateral Agent, for the benefit of the Agents and the Banks, shall thereafter have to benefit of all security and other rights and benefits provided for therein as fully as if the Collateral Agent were named therein at each place where there is such a reference to the Original Lender.

6. Upon the making of the initial Borrowing (as defined in the New Credit Agreement) and its disbursement in accordance with Section 2.4(e) of the New Credit Agreement, the Original Lender will endorse, without recourse, the Original Note to the order of the Administrative Agent, and deliver it to the Administrative Agent. The Original Borrowers will promptly pay to the Original Lender, in immediately available funds, any and all interest and fees accrued pursuant to the Original Credit Agreement and the Original Note and unpaid as of the time of such initial Borrowing under the New Credit Agreement.

7. The Original Borrowers release the Original Lender from all liabilities and obligations under the Original Credit Agreement, the Original Note and the Security Documents, and release the Agents from all such liabilities and obligations which arose on or before the time of the initial Borrowing under the New Credit Agreement.

8. The Revolving Credit Notes (as defined in the New Credit Agreement) shall, to the extent of the Assigned Debt, constitute amendments and restatements of the Original Note (in an amount with respect to each such Revolving Credit Note equal to such Revolving Credit Note's pro rata share of the Assigned Debt based on the amount of the respective Commitment (as defined in the New Credit Agreement) of the holder of such Revolving Credit Note). The execution and delivery by the New Borrowers of the Revolving Credit Notes shall not in any circumstances be deemed a novation or to have terminated, extinguished or discharged the Original Borrowers' indebtedness evidenced by the Original Note, all of which indebtedness shall continue under and be evidenced and governed by the Revolving Credit Notes and the New Credit Agreement, and the Banks shall be entitled to all of the benefits of the Security Documents with respect to the indebtedness evidenced by the Revolving Credit Notes. Promptly after the initial Borrowing under the New Credit Agreement, the Original Lender shall deliver the Original Note to the Collateral Agent to be held by the Collateral Agent with the Security Documents as evidence of the Assigned Debt.

9. The Original Borrowers agree to execute and deliver to the Collateral Agent any and all amendments to the Security Documents (including financing statements and other

filings for public records) and any other documents related thereto, as the Administrative Agent may consider to be necessary or desirable to evidence, perfect, further perfect, or re-document the security interests and liens provided for in the Security Documents or other documents related thereto, including any amendments or redocumentation necessary to reflect or take into account the assignment to the Collateral Agent provided for in this Agreement.

10. Each Original Borrower represents and warrants to the Agents that:

- (a) The execution, delivery and performance of this Agreement are within its corporate powers, have been duly authorized, and are not in contravention of law, of the terms of its articles of incorporation, or by-laws or regulations, or of any undertaking to which it is a party or by which it is bound; and this Agreement is the legal, valid and binding obligation of such Original Borrower, enforceable against such Original Borrower in accordance with its terms; and
- (b) The Original Credit Agreement, the Original Note and the Security Documents constitute legal, valid and binding obligations of the Original Borrowers party thereto, enforceable against such Original Borrowers in accordance with their respective terms.

11. The Original Lender makes no representations or warranties, whether expressed or implied, to the Agent and the Banks as to the collectability of the Original Note, the solvency of any Borrower, the attachment, perfection or priority of any security interests under the Security Documents, or as to the sufficiency or value of the collateral provided thereunder.

12. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

WITNESS the due execution hereof as of the date and year first above written.

CITATION CORPORATION

By R. Comer Warner  
Its Vice Pres.

CITATION AUTOMOTIVE SALES CORP.

By R. Comer Warner  
Its Vice Pres.

MANSFIELD FOUNDRY CORPORATION

By R. Comer Warner  
Its Vice Pres.

IROQUOIS FOUNDRY CORPORATION

By R. Comer Warner  
Its Vice Pres.

OBERDORFER INDUSTRIES CORP.

By R. Comer Warner  
Its Vice Pres.

BERLIN FOUNDRY CORPORATION

By R. Comer Warner  
Its Vice Pres.



PENNSYLVANIA STEEL FOUNDRY  
& MACHINE COMPANY

By R. Comes Warner

Its Vice Pres.

CASTWELL PRODUCTS, INC.

By R. Comes Warner

Its Vice Pres.

TSC ACQUISITION CORPORATION

By R. Comes Warner

Its Vice Pres.

HTC ACQUISITION CORPORATION

By R. Comes Warner

Its Vice Pres.

SOUTHERN ALUMINUM CASTINGS  
COMPANY

By R. Comes Warner

Its Vice Pres.

NBD BANK, as the Administrative Agent

By \_\_\_\_\_

Its \_\_\_\_\_

PENNSYLVANIA STEEL FOUNDRY  
& MACHINE COMPANY

By \_\_\_\_\_

Its \_\_\_\_\_

CASTWELL PRODUCTS, INC.

By \_\_\_\_\_

Its \_\_\_\_\_

TSC ACQUISITION CORPORATION

By \_\_\_\_\_

Its \_\_\_\_\_

HTC ACQUISITION CORPORATION

By \_\_\_\_\_

Its \_\_\_\_\_

SOUTHERN ALUMINUM CASTINGS  
COMPANY

By \_\_\_\_\_

Its \_\_\_\_\_

NBD BANK, as the Administrative Agent

By Richard C. Ellis

Its Vice President

SOUTHTRUST BANK OF ALABAMA,  
NATIONAL ASSOCIATION, as the Original  
Lender and as the Collateral Agent.

By

*Stephen F. Kelly*

Its

*Lee R. Smith*

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