

STATE OF ALABAMA)
)
SHELBY COUNTY)

Inst # 1997-39778

**SECOND AMENDMENT TO MORTGAGE, ASSIGNMENT OF LEASES
AND SECURITY AGREEMENT**

THIS SECOND AMENDMENT TO MORTGAGE, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT dated December 1, 1997 (this "Amendment") is entered into by **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF COLUMBIANA**, a public corporation organized under the laws of the State of Alabama (the "Issuer"), and **ELASTIC CORPORATION OF AMERICA, INC.**, a corporation organized under the laws of the State of Delaware ("ECA"; the Issuer and ECA being hereinafter sometimes together referred to as the "Mortgagors"), **NFA CORP.**, a corporation organized under the laws of the Commonwealth of Massachusetts ("NFA"), for the benefit of **AMSOUTH BANK** (successor to AmSouth Bank N.A.), an Alabama banking corporation (the "Bank").

Recitals

The Issuer and NFA have heretofore executed a Mortgage, Assignment of Leases and Rents dated June 1, 1992 (the "Original Mortgage"), as amended by a First Amendment to Mortgage, Assignment of Leases and Security Agreement dated May 1, 1997 (the "First Mortgage Amendment"; the Original Mortgage, as amended by the First Mortgage Amendment, being herein called the "Mortgage") in favor of the Bank. The Original Mortgage is recorded as instrument number 1992-12551 in the office of the Judge of Probate of Shelby County, Alabama (the "Probate Office") and the First Mortgage Amendment is recorded as instrument number 1997-17480 in the Probate Office. Capitalized terms not otherwise defined herein shall have the meanings provided therefor in the Mortgage.

The Mortgage secures obligations under a Credit Agreement dated June 1, 1992 (together with any amendments thereto, the "Credit Agreement") between NFA and the Bank. Simultaneously herewith, NFA has assigned and conveyed to ECA all of its right, title and interest in and to the Collateral and, pursuant to an Assignment, Assumption and Amended and Restated Credit Agreement dated December 1, 1997 (the "Amended and Restated Credit Agreement") between the Bank, ECA and NFA, ECA has assumed all obligations of NFA under the Credit Agreement, as so amended and restated.

As a condition to its agreement to the Amended and Restated Credit Amendment and to the execution of other documents required in connection with the transfer by NFA of the Collateral to ECA, the Bank has required, among other things, the execution of this Amendment.

Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and to induce the Bank to enter into the Amended and Restated Credit Agreement and to maintain in effect the Letter of Credit, the Issuer, ECA, NFA and the Bank hereby agree as follows:

SECTION 1. Definitions.

(a) Capitalized terms used in this Amendment and not otherwise defined herein have the meanings defined for them in the Mortgage.

(b) This Amendment is subject to the provisions set forth in paragraph (1) through (6) of Section 1.01 on pages 2 and 3 of the Original Mortgage.

SECTION 2. Assignment by NFA. NFA hereby assigns all of its rights under the Mortgage to ECA.

SECTION 3. Assumption by ECA. Pursuant to the Amended and Restated Credit Agreement, ECA has become liable for, assumed and agreed to pay and perform all of the obligations of "NFA" set forth in the Credit Agreement and the other Financing Documents, including the Obligations, strictly in accordance with the terms thereof. ECA has agreed to abide by and be bound by all the terms of the Financing Documents to which NFA was a party, as though each of such Financing Documents had been made, executed and delivered by ECA. ECA has reaffirmed, confirmed and ratified the covenants, conditions, obligations, representations and warranties set forth in the Financing Documents on the part of NFA.

SECTION 4. Obligations Secured. ECA and the Issuer agree that the Obligations secured by the Mortgage shall include all obligations of ECA under the Credit Agreement, as amended and restated by the Amended and Restated Credit Agreement.

SECTION 5. Amendments to Mortgage.

(a) All references to "NFA" in the Mortgage hereafter shall be deemed to refer to ECA.

(b) All references to "Credit Agreement" in the Mortgage hereafter shall refer to the Credit Agreement dated June 1, 1992 (together with any amendments thereto) between NFA and the Bank, as amended and restated by the Assignment, Assumption and Amended and Restated Credit Agreement dated December 1, 1997 between ECA, NFA and the Bank, and as such agreement may hereafter be amended.

(c) Section 9.08 of the Mortgage is amended by substituting the following addresses to be used for notices to ECA:

ECA

By hand or by mail:

Mitchell R. Setzer
Elastic Corporation of America, Inc.
212 12th Avenue, N.E.
Hickory, North Carolina 28601

By facsimile:

(704) 328-4936

SECTION 6. Mortgage to Remain in Effect. Except as specifically amended by this Amendment, the Mortgage shall remain in full force and effect in accordance with its terms.

SECTION 7. No Novation, etc. Nothing contained in this Amendment shall be deemed to constitute a novation of the terms of the Financing Documents, nor impair any liens, assignments or security interests granted to the Bank thereunder, nor affect any of the rights, powers or remedies of the Bank thereunder nor constitute a waiver of any provision thereof, except as specifically set forth in this Amendment.

SECTION 8. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of Alabama and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

SECTION 9. Date. The date of this Amendment is intended as and for a date for the convenient identification of this Amendment and is not intended to indicate that this Amendment was executed and delivered on said date.

SECTION 10. Severability. If any provision of this Amendment shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 11. Counterparts. This Amendment may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Issuer, NFA, ECA and the Bank have caused this instrument to be executed by their duly authorized representatives.

**THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF
COLUMBIANA**

By Conrad M. Fowler Jr.
Vice Chairman of its Board of Directors

[S E A L]

Attest: Pat Shugart
Its Secretary

**ELASTIC CORPORATION OF
AMERICA, INC.**

By R. J. Muckey
Title: Chairman

AMSOUTH BANK

By J. G. B. H.
Title: VICE PRESIDENT

This instrument was prepared by:
Kathleen A. Collier
Maynard, Cooper & Gale, P.C.
1901 Sixth Avenue North
Suite 2400 AmSouth/Harbert Plaza
Birmingham, Alabama 35203-2602
(205) 254-1000

STATE OF ALABAMA

SHELBY COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Conrad Fowler, Jr., whose name as ^{is} Chairman of the Board of Directors of The Industrial Development Board of the City of Columbiana, a public 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, 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 26th day of November, 1997.

William R. Justus
Notary Public

[NOTARIAL SEAL]

My commission expires: 9/12/99

STATE OF New York

New York COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Richard Mackey, whose name as Chairman of Elastic Corporation of America, Inc., 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, 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 1st day of December, 1997.

Joannes J H Joosten
Notary Public

[NOTARIAL SEAL]

My commission expires: August 11, 1999

JOANNES J H JOOSTEN
Notary Public, State of New York
No. 02J05083546
Qualified in New York County
Commission Expires Aug. 11, 1999

STATE OF ALABAMA

JEFFERSON COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that John E. Bentley, whose name as Vice President of AmSouth Bank, a banking 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, as such officer and with full authority, executed the same voluntarily for and as the act of said banking corporation.

Given under my hand and official seal this the 26th day of November, 1997.

Kathleen A. Callin
Notary Public

[NOTARIAL SEAL]

My commission expires: MY COMMISSION EXPIRES MARCH 3, 1998

NFA hereby signs this instrument for the purpose of assigning its interest in the Mortgage to ECA.

NFA CORP.

By: [Signature]
Title: Chairman

STATE OF New York
New York COUNTY

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that David Casty, whose name as Chairman of NFA Corp., a corporation organized under the laws of the Commonwealth of Massachusetts, 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, 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 1st day of December, 1997.

[Signature]
Notary Public

[NOTARIAL SEAL]

My commission expires: August 11, 1999

JOANNES J H JOOSTEN
Notary Public, State of New York
No. 02105083546
Qualified in New York County
Commission Expires Aug. 11, 1999

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