

92-5570

**THIS INSTRUMENT PREPARED BY, AND AFTER  
RECORDING SHOULD BE RETURNED TO:**

Hamilton Southworth III, Esq.  
BROBECK, PHLEGER & HARRISON  
550 West "C" Street, Suite 1300  
San Diego, California 92101

**STATE OF ALABAMA     )  
COUNTY OF SHELBY    )**

Inst # 1999-21091  
05/19/1999-21091  
12:01 PM CERTIFIED  
SHELBY COUNTY JUDGE OF PROBATE  
009 MMS 29.50

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

**THIS FIRST AMENDMENT TO MORTGAGE, ASSIGNMENT OF RENTS AND  
LEASES, SECURITY AGREEMENT AND FIXTURE FILING** (this "Amendment") is entered  
into as of September 30, 1998 by and between **NATIONAL-STANDARD COMPANY**, an Indiana  
corporation ("Mortgagor"), and **FOOTHILL CAPITAL CORPORATION**, a California  
corporation ("Mortgagee"), with reference to the following facts:

**WHEREAS**, Mortgagor is the successor-in-interest to National-Standard Company, a  
Delaware corporation ("National");

**WHEREAS**, National has previously executed in favor of Mortgagee that certain Mortgage,  
Assignment of Rents, Security Agreement and Fixture Filing, made as of May 24, 1994 and recorded  
on June 13, 1994 in the Official Records, 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 other obligations under that certain Loan and Security Agreement, dated as of May 24, 1994 by  
and between Mortgagor and Mortgagee (as amended from time to time, collectively, the "Prior 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 Prior Loan  
Agreement, Mortgagor and Mortgagee are executing that certain Amended and Restated Loan and  
Security Agreement entered into as of September 17, 1997 as amended by that certain Amendment  
Number One to Amended and Restated Loan and Security Agreement dated as of June 30, 1998 and

that certain Amendment Number Two to Amended and Restated Loan and Security Agreement dated as of September 30, 1998 (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.

**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. **Recitals**. The section entitled "WITNESSETH" of the Mortgage is hereby deleted and replaced with the following:

Mortgagor is justly indebted to Mortgagee in the maximum principal sum of Sixty Million and No/100 Dollars (\$60,000,000) 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 hereto acknowledge and agree that this Mortgage secures only \$2,000,000.00 of the total indebtedness described above. All capitalized terms used in this Mortgage and not defined herein shall have the meanings ascribed to them in the Loan and Security Agreement (defined below).

B. **Secured Obligations**. Section entitled "SECURED OBLIGATIONS" of the Mortgage is hereby deleted and replaced with the following:

### **SECURED OBLIGATIONS**

Mortgagor has bargained and sold, and hereby does grant, bargain, sell 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 Amended and Restated Loan and Security Agreement entered into as of September 17, 1997, as amended by that certain Amendment Number One to Amended and Restated Loan and Security Agreement dated as of June 30, 1998 and that certain Amendment Number Two to Amended and Restated Loan and Security Agreement dated as of September 30, 1998, by and between Mortgagor and Mortgagee (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) a term loan to Mortgagor in the original aggregate principal amount of Fifteen Million Dollars (\$15,000,000), to be evidenced by and repayable in accordance with the terms and conditions of the Equipment/Real Property Term Note; and (d) the series of term loans to Mortgagor in an aggregate amount at any one time outstanding of up to the New Equipment Term Loan Commitment, to be evidenced by and repayable in accordance with the terms and conditions of the New Equipment Term Note; (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 Obligations.

1. **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.

2. **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.

3. **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.

4. **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.

5. **Note.** Each reference in the Mortgage to "the Note", "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/Real Property Term Note and the New Equipment Term Note.

6. **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.

7. **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.

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

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

10. **Counterparts.** This Amendment may be executed in counterparts, each of which shall be deemed a part of an original, and which together shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

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

**"MORTGAGOR":**

**NATIONAL-STANDARD COMPANY,**  
an Indiana corporation

By: D. L. Lawrence  
Name: D. L. Lawrence  
Its: Treasurer

**"MORTGAGEE":**

**FOOTHILL CAPITAL CORPORATION,** a  
California corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF MICHIGAN )  
 )  
BERRIEN COUNTY )

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that David L. Lawrence, whose name as Treasurer of National-Standard Company, an Indiana 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, (s)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 11th day of March, 1999.

Frances K. Welling  
Notary Public

My Commission Expires: FRANCES K. WELLING, Notary Public  
BERRIEN COUNTY, MICHIGAN  
My Commission Expires 12-12-99

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

**"MORTGAGEE":**

**FOOTHILL CAPITAL CORPORATION,** a  
California corporation

By: \_\_\_\_\_  
Name: Anthony Hia  
Its: VICE PRESIDENT

STATE OF \_\_\_\_\_ )  
 )  
\_\_\_\_\_ COUNTY )

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that \_\_\_\_\_, whose name as \_\_\_\_\_ of National-Standard Company, an Indiana 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, (s)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 \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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

My Commission Expires:  
\_\_\_\_\_



STATE OF Massachusetts )  
 )  
Suffolk COUNTY )

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Anthony Alois, whose name as Vice President of Foothill Capital Corporation, a California 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, (s)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 25 day of January, 1999.

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

My Commission Expires:

7/29/2005

## **EXHIBIT "A"**

### **(Legal Description)**

Exhibit "A" to First Amendment To Mortgage, Assignment Of Rents and Leases, Security Agreement and Fixture Filing dated as of September 30, 1997, by and between National-Standard Company, an Indiana corporation, as Mortgagor, and Foothill Capital Corporation, a California corporation, as Mortgagee.

The Land is more particularly described as follows:

Commence at the Southwest corner of Section 23, Township 21 South, Range 1 West, Shelby County, Alabama; thence proceed North 00° 07' 39" 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° 50' 44" East for a distance of 350.40 feet; thence proceed South 00° 23' 31" West for a distance of 81.90 feet; thence proceed South 89° 28' 43" East for a distance of 336.30 feet; thence proceed North 00° 24' 17" East for a distance of 833.20 feet; thence proceed South 89° 37' 19" East for a distance of 75.98 feet; thence proceed North 00° 25' 57" East for a distance of 372.52 feet; thence proceed South 88° 26' 13" West for a distance of 774.63 feet; thence proceed South 88° 47' 14" West for a distance of 638.09 feet; thence proceed South 00° 06' 26" West for a distance of 2650.95 feet to a point on the Northerly right of way line Alabama Highway No. 70; thence proceed North 88° 39' 51" 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° 51' 50" East for 321.42 feet; thence proceed North 37° 03' 43" West for a distance of 277.64 feet; thence proceed North 02° 15' 02" West for a distance of 127.60 feet; thence proceed North 01° 23' 58" East for a distance of 246.04 feet; thence proceed North 31° 09' 44" East for a distance of 70.01 feet; thence proceed North 43° 41' 43" East for a distance of 91.79 feet; thence proceed North 57° 58' 50" East for a distance of 65.85 feet; thence proceed North 78° 14' 18" East for a distance of 40.10 feet; thence proceed North 83° 10' 46" East for a distance of 125.74 feet; thence proceed South 86° 06' 11" East for a distance of 117.09 feet; thence proceed North 00° 11' 44" East for a distance of 435.86 feet; thence proceed North 57° 16' 02" East for a distance of 102.94 feet; thence proceed South 89° 50' 44" 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. 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° 02' 15" 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° 40' 38" East along the North boundary of said quarter-quarter section for a distance of 39.65 feet; thence proceed South 22° 35' 07" East for a distance of 46.55 feet; thence proceed North 88° 50' 36" East for a distance of 70.83



feet; thence proceed South 12° 52' 39" East for a distance of 156.99 feet; thence proceed South 54° 59' 35" West for a distance of 47.26 feet; thence proceed South 28° 55' 37" East for a distance of 100.02 feet; thence proceed South 78° 04' 09" East for a distance of 146.76 feet; thence proceed South 21° 33' 18" East for a distance of 85.72 feet; thence proceed South 28° 55' 37" East for a distance of 289.06 feet; thence proceed South 08° 44' 15" East for a distance of 185.43 feet; thence proceed South 56° 19' 51" East for a distance of 152.08 feet; thence proceed South 09° 16' 33" East for a distance of 364.28 feet; thence proceed South 00° 51' 17" East for a distance of 72.71 feet; thence proceed South 88° 26' 13" West for a distance of 700.13 feet; thence proceed North 01° 06' 56" 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. The above-described property is located at 104 Industrial Parkway, Columbiana, Alabama.

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