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Calfee, Halter & Griswold
1600 Spring Blg. Lake Co., In. 5000
E. 9th, Dayton
Cleveland, OH 44114
L-436197 LD

SECOND AMENDMENT OF
MORTGAGE AND SECURITY AGREEMENT

THIS SECOND AMENDMENT OF MORTGAGE AND SECURITY AGREEMENT is entered into as of the 25th day of March, 1988, by and between BLAW KNOX CORPORATION, a corporation organized under the laws of Delaware, with its principal offices located at One Oliver Plaza, Pittsburgh, Pennsylvania 15222, as Mortgagor (hereinafter referred to as "Grantor"), and AMERITRUST COMPANY NATIONAL ASSOCIATION, a national banking association, with its principal office located at 900 Euclid Avenue, Cleveland, Ohio 44115, as Mortgagee (hereinafter referred to as "Grantee").

RECITALS

A. Grantor granted to Grantee a Mortgage and Security Agreement dated as of September 24, 1985 (the "Mortgage"), which was filed for record on September 27, 1985, as Document No. 822069 in the Recorder's Office of Lake County, Indiana. Grantor and Grantee then entered into the First Amendment of Mortgage and Security Agreement effective as of October 16, 1985, which was filed for record on October 16, 1985, as Document No. 824295 in the Recorder's Office of Lake County, Indiana.

B. The Mortgage was granted to secure a letter of credit in the amount of Fifteen Million Dollars (\$15,000,000) which was issued pursuant to the terms of a Reimbursement Agreement dated September 27, 1985, between Grantor and Grantee. The parties previously agreed to replace such letter of credit with an approval of loans pursuant to which Grantor may have obtained from time to time from Grantee loans not to exceed at any one time the aggregate principal amount of Fifteen Million Dollars (\$15,000,000) which loans (i) are evidenced by a Promissory Grid Note dated October 16, 1985, payable to the order of Grantee in the principal sum of Fifteen Million Dollars (\$15,000,000) (the "Original Note") (the "Loan") and (ii) bear interest at a rate per annum equal to one percent (1%) in excess of Grantee's base lending rate from time to time in effect with each change in such base lending rate automatically and immediately changing the rate of interest thereon. The parties now have agreed to restructure the Loan, in part by (i) amending and restating the Original Note evidencing the Loan pursuant to an Amended and Restated Promissory Grid Note dated April 19, 1988, payable by Grantor to the order of Grantee in the principal sum of up to Thirteen Million Fifty Thousand Dollars (\$13,050,000) (the "Amended Note"), and (ii) entering into the Promissory Term Note dated April 19, 1988, payable by Grantor to the order of Grantee in the principal sum of Four Hundred Fifty Thousand Dollars (\$450,000) (the "Term Note") (the Amended Note and the Term Note being collectively referred to herein as the "Notes"), which Notes shall each bear interest at a rate per annum equal to two percent (2%) in excess of Grantee's base lending rate from time to time in effect with each change in such base lending rate automatically and immediately changing the rate of interest thereon; provided, however, if Grantor shall fail to pay, within five (5) days of Grantee's demand therefor, all principal and interest outstanding under each of the Notes, then each of the Notes

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RECORDER, LAKE COUNTY
CROWN POINT, INDIANA 46307

INDIANA TITLE INSURANCE COMPANY
INDIANA DIVISION

LILLIAN A. BLASTICK

14.50

shall bear interest at a rate per annum at the higher of (a) ten percent (10%), or (b) three percent (3%) in excess of Grantee's base lending rate; provided, further, that such rate of interest shall in no event exceed the highest rate of interest permitted by law. The Loan shall remain subject to the terms and conditions of the Master Agreement between Grantor and Grantee, as amended by Amendment No. 1 to the Master Agreement dated as of April 19, 1988 (as amended, the "Master Agreement"), and the Security Agreements (as that term is defined in the Master Agreement).

C. The parties desire to amend the Mortgage to provide that it secures all obligations of Grantor arising in connection with or pursuant to the Master Agreement and the Security Agreements or the Notes issued in connection therewith.

AGREEMENTS

In consideration of the foregoing recitals, the parties hereby agree as follows:

1. The term "Agreement" wherever it appears in the Mortgage shall be changed to, and deemed to refer to, each of the "Security Agreements" as defined in the Master Agreement.

2. The term "Reimbursement Agreement", wherever it may appear in the Mortgage other than in the recitals of the Mortgage, shall be eliminated and shall be replaced in each such instance with the term "Security Agreements".

3. Notwithstanding any provision in the Mortgage to the contrary, it is understood and agreed that (i) the Mortgage is granted to secure not only the existing indebtedness, but also such future advances from the Grantee to the Grantor pursuant to the Amended Note and the Security Agreement (as that term is defined in the Master Agreement), whether such advances are obligatory or to be made at the option of Grantee or otherwise to the same extent as if such future advances were made on the date of this Second Amendment of Mortgage, and creates such a lien for all advances regardless of who is the owner of the premises at the time such advance is made, and (ii) that until the Mortgage is released of record, the Grantee may make additional advances and readvances to the Grantor from time to time and said advances and readvances shall become part of the indebtedness secured hereby and afforded the full benefits of this Mortgage, including the priority thereof, all to the fullest extent permitted by law, but the total unpaid balance secured at any one time shall not exceed \$13,500,000 plus interest thereon and any disbursement made for the payment of taxes, levies or insurance on the premises with interest on such disbursements.

4. The parties acknowledge that the Mortgage is a valid and subsisting first mortgage lien upon all of the property subject to the Mortgage, is in full force and effect, and there are no defenses, set offs, or counter-claims thereto. Such mortgaged property shall in all

respects continue to remain subject to the charge, encumbrance and lien of the Mortgage, and nothing herein contained shall be construed to release, alter, affect or invalidate the lien of the Mortgage or its priority over and any other liens, charges or encumbrances.

5. All covenants, agreements, terms and conditions of the Mortgage, as herein amended, shall be and remain in full force and effect, the lien of Grantee granted thereunder shall continue in force without disturbance, and the obligations of Grantor thereunder are hereby confirmed. Grantor shall fully and faithfully comply with all of the conditions of the Mortgage, as amended, and perform the covenants and agreements contained therein and herein.

6. This Second Amendment of Mortgage and Security Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on the day and year first above set forth.

Signed, sealed and delivered in the presence of:

Susan F. Knight

Marie P. Steinhilber

BLAW KNOX CORPORATION (SEAL)

By: W. D. Hunt
Its: President

Attest: Richard W. McArthur
Its: Secretary

AMERITRUST COMPANY NATIONAL ASSOCIATION (SEAL)

Laurie A. Fisher

[Signature]
105S10/19370H

By: Richard A. [Signature]
Its: COMMERCIAL BANKING OFFICER

Attest: [Signature]
Its: VICE PRESIDENT

STATE OF Ohio)
) SS:
COUNTY OF Cuyahoga)

On this 25th day of March, 1988, before me, J. W. Dorsey, the undersigned officer, personally appeared W. J. [unclear], who acknowledged himself to be the President of Blaw Knox Corporation, a corporation, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
NOTARY PUBLIC
JOHN W. DORSEY, Attorney
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date.
Section 147.03 R. C.

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

On this 25th day of March, 1988, before me, J. W. Dorsey, the undersigned officer, personally appeared R. J. [unclear], who acknowledged himself to be the Com'l Banking Officer of AmeriTrust Company National Association, a national banking association, and that he as such Com'l Banking Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the association by himself as Com'l Banking Officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]
NOTARY PUBLIC
JOHN W. DORSEY, Attorney
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date.
Section 147.03 R. C.

This Instrument Prepared By
and when recorded return to:
AmeriTrust Company National Association
900 Euclid Avenue
Cleveland, Ohio 44115

105S10/19370H

Consent and Subordination

The undersigned, White Consolidated Industries, Inc., a Delaware Corporation, hereby consents to the foregoing Second Amendment of Mortgage and Security Agreement, and agrees that the lien and security interest created by its Mortgage dated as of September 24, 1985, and recorded on September 27, 1985, as Document No. 822070 in the Recorder's Office of Lake County, Indiana, are, and shall remain subject and subordinate (to the extent now subordinate) to the lien and security interest created by the mortgage to AmeriTrust Company National Association dated September 24, 1985, and recorded on September 27, 1985, as Document No. 822069 in the Recorder's Office of Lake County, Indiana, as said mortgage is amended by (i) the First Amendment of Mortgage and Security Agreement, with an effective date of October 16, 1985, recorded on October 16, 1985, as Document No. 824295 in the Recorder's Office of Lake County, Indiana, and (ii) the foregoing Second Amendment of Mortgage and Security Agreement; provided, however, that such Mortgage is subject to a certain Amended Inter-Creditor Agreement, as amended by Amendment No. 1 to Amended Inter-Creditor Agreement dated as of April 19, 1988, among the undersigned, Blaw Knox Corporation and AmeriTrust Company National Association.

WHITE CONSOLIDATED INDUSTRIES, INC.

Witnesses:

Maria Padroni

Jane B. McLeod

By: Daniel R. Elliott

Daniel R. Elliott
Senior Vice President

Its: _____

And By: William G. E. Jacobs

William G. E. Jacobs
Assistant Secretary

Its: _____

STATE OF OHIO)
) SS:
COUNTY OF CUYAHOGA)

On this 31st day of March, 1988, before me, Annette M. Kasnekaw the undersigned officer, personally appeared Vanick A. Elliott, who acknowledged himself to be the Senior Vice President of White Consolidated Industries, Inc., a corporation, and that he as such Senior Vice President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Senior Vice President.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Annette M. Kasnekaw
Notary Public

My commission expires _____

105810/19370H

ANNETTE M. KASNEKAW
Notary Public - State of Ohio
Recorded in Cuyahoga County
My Commission Expires 11-25-88