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**AMENDMENT NO. 8
TO
MORTGAGE**

THIS AMENDMENT NO. 8 TO MORTGAGE ("**Amendment**") is made this 31st day of August, 2004 by and between **SARGENT ELECTRIC COMPANY**, a Pennsylvania corporation (the "**Mortgagor**") and **NATIONAL CITY BANK OF PENNSYLVANIA**, a national banking association and successor-in-interest to Integra Bank, with an office located at National City Center, 20 Stanwix Street, Pittsburgh, Pennsylvania 15222-4802 (hereinafter referred to as "**Mortgagee**").

WITNESSETH:

- 20040831155460
- STATE OF PENNSYLVANIA
COUNTY OF ALLEGANY
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- STOP
- COUNTY OF ALLEGANY
- A. Mortgagor and the Mortgagee, as successor to Integra Bank, entered into that certain Credit Agreement, dated as of dated as of May 27, 1999, as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement, dated January 25, 2000, that certain Amendment No. 2 to Amended and Restated Credit Agreement, dated August 23, 2000, that certain Amendment No. 3 to Amended and Restated Credit Agreement dated May 18, 2001, that certain Amendment No. 4 to Amended and Restated Credit Agreement, dated as of November 2, 2001, and that certain Amendment No. 5 to Amended and Restated Credit Agreement dated effective as of January 1, 2002, that certain Amendment to Credit Agreement With Reservation of Rights, dated June 18, 2004 and that certain Amendment to Credit Agreement with Reservation of Rights, dated August 3, 2004 and effective July 31, 2004 (as amended, supplemented, replaced or otherwise modified, the "**Credit Agreement**"), pursuant to which the Mortgagee has made a credit facility or facilities available to the Mortgagor in a principal amount not to exceed \$8,500,000 outstanding at any time;
- B. capitalized terms used, but not defined, herein shall have the meaning set forth in the Credit Agreement;
- C. Mortgagor has triggered several Events of Default which include but are not limited to, those Events of Default set forth in the letter of June 27, 2003 from Mortgagee (Lori B. Shure) to the Mortgagor (accepted by John D. Sargent, President, on behalf of Mortgagor) (the "**Known Defaults**");
- D. Mortgagor previously requested the Mortgagee amend the Credit Agreement to (i) extend the Maturity Date to August 31, 2004 and (ii) reduce the Commitment (as defined in the Credit Agreement) to \$7,500,000, and Mortgagor and Mortgagee entered into the requested amendment such that the extended Maturity Date is August 31, 2004 with the Mortgagee reserving its rights to act upon the Existing Defaults of the Mortgagor;
- E. Mortgagor and Mortgagee have now requested that the Mortgagee extend the Maturity Date (as defined in the Credit Agreement) through and including December 31, 2004, and the Mortgagee is willing to do so while reserving its

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rights to act upon the Existing Defaults of the Mortgagor and Mortgagee by entering into an Amendment to Credit Agreement with Reservation of Rights dated on or about the date hereof (the “**Amendment**”);

- F. the indebtedness of the Mortgagor under the Loans made by Mortgagee is evidenced by those certain “**Notes**” (as defined in the Credit Agreement) made by the in favor of Mortgagee;
- G. Mortgagor executed a certain Mortgage, dated October 27, 1997, in favor of Mortgagee, granting Mortgagee a first line on the Real Estate, which Mortgage was recorded on November 21, 1997 with the Recorder of Deeds of Lake County, Indiana, Mortgage Number 97080068, as amended by that certain Amendment No. 1 to Mortgage, dated April 17, 1998, Amendment No. 2 to Mortgage, dated June 28, 1998, Amendment No. 3 to Mortgage, dated May 27, 1999, Amendment No. 4 to Mortgage, dated January 25, 2000, Amendment No. 5 to Mortgage, dated May 18, 2001, Amendment No. 6 to Mortgage, dated November 2, 2001, and Amendment No. 7 to Mortgage dated April 17, 2002 with respect to the Property, as amended and modified from time to time (the “**Mortgage**”) covering certain Real Estate as more fully described in the Original Mortgage;
- H. Mortgagee has required this Amendment as a condition to it entering into the Amendment to, *inter alia*, confirm that the entire Property continues to be subject to the terms of the Mortgage and to reflect the Amendment;
- I. Mortgagor desires to enter into this Amendment; and
- J. Mortgagor has determined that the execution and delivery of this Amendment is in furtherance of its business purposes and in its best interest and that it will derive substantial benefit, whether directly or indirectly, from the making of this Amendment, having regard for all relevant facts and circumstances and, therefor, has agreed to execute and deliver this Amendment to the Mortgagee.

NOW, THEREFORE, the parties hereto in consideration of the mutual covenants and agreements contained herein and intending to be legally bound hereby, covenant and agree as follows:

1. Incorporation of Recitals. The above recitals are true and correct.
2. Secured Obligations. Mortgagor hereby agrees that the Mortgage shall continue to secure the Secured Obligations, including without limitation, all indebtedness evidenced by the \$17,500,000 Amended and Restated Revolving Credit Note, the \$3,000,000 Term Note, and all reimbursement obligations of Mortgagor in connection with the Letters of Credit. The Note referred to in the Mortgage shall mean and include the Term Note and the Amended and Restated Revolving Credit Note. All indebtedness evidenced by the Term Note, the Amended and Restated Revolving Credit Note, and all reimbursement obligations of Mortgagor in connection with Letters of Credit shall be entitled to the same priority as the lien securing the Notes, as the same may be amended, modified, extended or increased from time to time.

3. Definitions. All references in the Mortgage to the "Credit Agreement" shall refer to that certain Credit Agreement, dated as of dated as of May 27, 1999, as amended by that certain Amendment No. 1 to Amended and Restated Credit Agreement, dated January 25, 2000, that certain Amendment No. 2 to Amended and Restated Credit Agreement, dated August 23, 2000, that certain Amendment No. 3 to Amended and Restated Credit Agreement dated May 18, 2001, that certain Amendment No. 4 to Amended and Restated Credit Agreement, dated as of November 2, 2001, and that certain Amendment No. 5 to Amended and Restated Credit Agreement dated effective as of January 1, 2002, that certain that certain Amendment to Credit Agreement With Reservation of Rights, dated June 18, 2004 and that certain Amendment to Credit Agreement with Reservation of Rights, dated August 3, 2004 and effective July 31, 2004, and that certain Amendment to Credit Agreement With Reservation of Rights, dated August 31, 2004 and effective August 31, 2004, as the same may be or may have been further amended or modified or extended from time to time.

4. Description of Real Property. The Real Property covered by the Mortgage always has been intended to cover the real property a described in the Original Mortgage, consisting of the real property located at Corner of East Chicago Avenue and Alexander Avenue, east Chicago, Indiana, in Subdivision S.W. S.28 T.37 R.9 A11 L1 BL 11 and L2 B111 and L3 BL11 24 30-7-1.

5. Costs and Expenses. Mortgagor shall pay all costs and expenses associated with preparing and recording this Amendment, including, but not limited to, attorney's fees, the fee for a title insurance endorsement, and all recording fees.

6. Capitalized Terms. Capitalized terms used herein which are not otherwise defined herein shall have the meanings given to such terms in the Mortgage. Except as expressly amended hereby, all of the terms, provisions and conditions of the Mortgage shall remain in full force and effect and shall be applicable hereto and are incorporated herein by reference thereto and made a part hereof.

7. Amendment is Not a Novation. This Amendment shall not be construed or interpreted as a novation, and all of the Prior Mortgagors' obligations under the Mortgage shall continue.

8. Reaffirmation of Representations and Warranties. Except as modified by this Amendment, all terms, covenants, and conditions set forth in the Mortgage, together with all warranties and representations of Mortgagor made therein are true and correct and are hereby ratified, restated, and reaffirmed on the date hereof.

9. Due Authority. Each of the signatories hereto personally represent and warrant that such person has the power and authority to execute and deliver this amendment, to bind the Edward J. Sargent Family Limited Partnership to the Mortgage, as amended hereby, and to perform the terms of the Mortgage, as amended hereby.

10. Counterparts. This Amendment may be executed by different parties hereto in any number of separate counterparts, each of which, when so executed and delivered shall be an original and all such counterparts shall together constitute one and the same instrument.

[Signatures appear on the following page]



IN WITNESS WHEREOF, the Mortgagor and Mortgagee have executed this Amendment No. 8 to Mortgage which has been duly executed and sealed the day and year first above written.

Attest:

SARGENT ELECTRIC COMPANY

By: John D. Sargent
Name: JOHN D. SARGENT
Title: PRESIDENT

By: [Signature]
Name: FREDERICK B SARGENT
Title: CEO

witness

[Signature]

NATIONAL CITY BANK OF PENNSYLVANIA,
a national banking association

By: [Signature]
Name: JIMMY J. KADERLI
Title: VICE PRESIDENT, SPECIAL ASSETS DEPT



CERTIFICATE OF RESIDENCE

I hereby certify the precise address of Mortgagee is National City Center, 20 Stanwix Street, Pittsburgh, PA 15222-4802.

NATIONAL CITY BANK OF PENNSYLVANIA

By: Jimmy J. Kadel
Name: _____
Title: _____



ACKNOWLEDGMENT

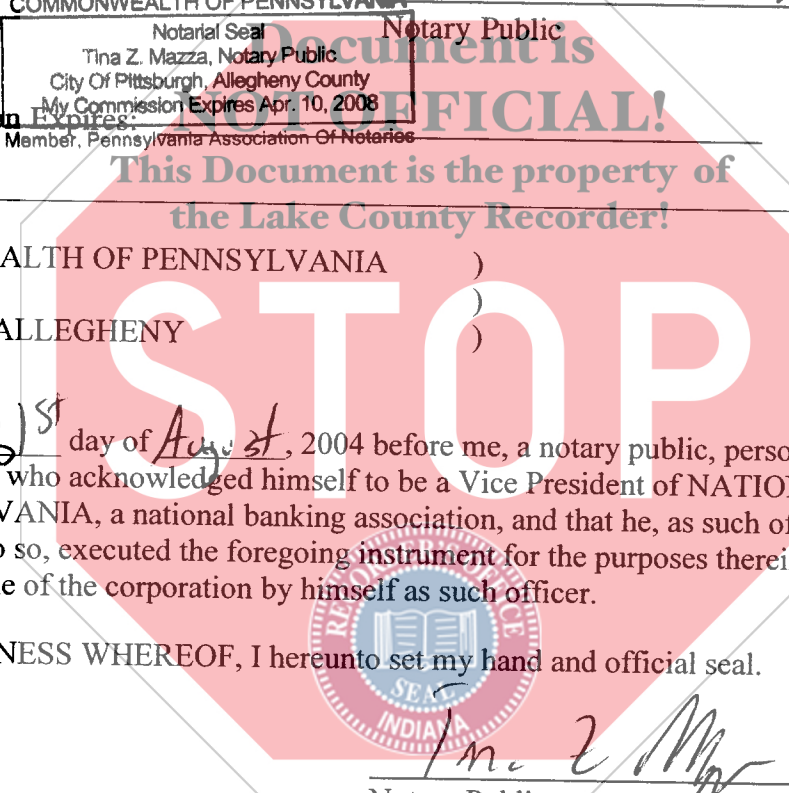
COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY)

On this, the 31st, day of August, 2004, before me, the authority in and for said County and Commonwealth, personally appeared Frederic B. Sargent who acknowledged himself to be a CEO of the Sargent Electric Company, and that he as such CEO, being authorized to execute the foregoing Amended and Restated Assignment of Leases and Rents on behalf of such corporation, executed the foregoing Amended and Restated Open End Mortgage, Security Agreement and Assignment of Leases Se on behalf of such corporation for the purposes set forth therein by signing the name of the corporation by himself as such CEO.

Tina Z. Mazza

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Tina Z. Mazza, Notary Public
City Of Pittsburgh, Allegheny County
My Commission Expires Apr. 10, 2008
Member, Pennsylvania Association Of Notaries

My Commission Expires:



COMMONWEALTH OF PENNSYLVANIA)
)
COUNTY OF ALLEGHENY)

On this 31st day of August, 2004 before me, a notary public, personally appeared Jimmy Kaderli, who acknowledged himself to be a Vice President of NATIONAL CITY BANK OF PENNSYLVANIA, a national banking association, and that he, as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

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

Tina Z. Mazza
Notary Public

My commission expires:

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Tina Z. Mazza, Notary Public
City Of Pittsburgh, Allegheny County
My Commission Expires Apr. 10, 2008
Member, Pennsylvania Association Of Notaries

AMENDMENT NO. 8 TO MORTGAGE

Between

SARGENT ELECTRIC COMPANY

And

NATIONAL CITY BANK OF PENNSYLVANIA

