

**FIRST AMENDMENT TO LOAN AGREEMENT**

THIS FIRST AMENDMENT TO LOAN AGREEMENT (the "First Amendment to Loan Agreement"), dated as of August 1, 2001, is entered into between the CITY OF MILWAUKEE, WISCONSIN, a municipal corporation and political subdivision of the State of Wisconsin (the "Issuer"), and SERVICE HEAT TREATING, INC., a Wisconsin corporation, and SERVICE CONTINUOUS, INC., a Wisconsin corporation (the "Borrowers").

**WITNESSETH:**

WHEREAS, the Issuer and M&I National Trust Company, as trustee (the "Trustee") have heretofore executed and delivered an Indenture of Trust, dated as of May 1, 1998 (the "Indenture"), pursuant to which the Issuer issued \$3,000,000 Industrial Development Revenue Bonds, Series 1998 (Service Heat Treating, Inc. Project) (the "Bonds") of which \$2,600,000 principal amount remains outstanding; and

WHEREAS, pursuant to a Loan Agreement dated as of May 1, 1998 (the "Loan Agreement") between the Issuer and the Borrowers, the Issuer loaned the proceeds of the Bonds to the Borrowers, and the Borrowers agreed to provide the Issuer with funds sufficient to pay the principal of and interest on the Bonds when due; and

WHEREAS, the Borrowers' obligation is evidenced by a Promissory Note (the "Note") dated May 29, 1998; and

WHEREAS, it is the purpose of this First Amendment to Loan Agreement to amend the Loan Maturity Schedule; and

WHEREAS, the June 1, 2001 principal payment has been waived with the consent of the owner of 100% of the Bonds outstanding; and

WHEREAS, pursuant to Section 11.1 of the Loan Agreement, the Issuer and the Borrowers may amend the Loan Agreement and the Promissory Note with the consent of the Trustee; and

WHEREAS, the Issuer and the Borrowers have received the written consent of the Trustee to enter into this First Amendment to Loan Agreement and the Promissory Note;

NOW THEREFORE, THIS FIRST AMENDMENT TO LOAN AGREEMENT  
WITNESSETH:

**Section 1. Amendment to Exhibit B.**

The Loan Maturity Schedule attached as Exhibit B to the Loan Agreement is amended to read as attached hereto as Exhibit A. The June 1, 2001 principal payment has been waived with the consent of the owner of 100% of the Bonds outstanding, and the principal payment is not considered overdue.

**Section 2. Amendment to Exhibit C.**

The form of Promissory Note included as Exhibit C to the Loan Agreement is amended to read as attached hereto as Exhibit B.

**Section 3. Effectiveness; Ratification of Loan Agreement; Definitions Applicable.**

The amendments to the Loan Agreement contained herein shall be effective as of August 17, 2001. Except as expressly provided in this First Amendment to Loan Agreement, the provisions of the Loan Agreement shall remain in full force and effect. Terms not otherwise defined herein have the meanings assigned to such terms in the Loan Agreement.

**Section 4. Execution in Counterparts.**

This First Amendment to Loan Agreement may be simultaneously executed in several counterparts, each of which shall be original and all of which shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this First Amendment to Loan Agreement to be executed on their behalf, all as of the date first written above.

CITY OF MILWAUKEE, WISCONSIN

By \_\_\_\_\_  
Its Mayor

[SEAL]

Attest \_\_\_\_\_  
Its Clerk

Countersigned \_\_\_\_\_  
Its Comptroller

SERVICE HEAT TREATING, INC.

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Secretary

SERVICE CONTINUOUS, INC.

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Secretary

The undersigned, as Trustee, hereby consents to the foregoing First Amendment to Loan Agreement.

M&I NATIONAL TRUST COMPANY,  
as Trustee

[SEAL]

By \_\_\_\_\_  
Its \_\_\_\_\_

The undersigned, as owner of 100% of the Bonds as of \_\_\_\_\_, 2001, hereby approves the foregoing First Amendment to Loan Agreement.

M&I MARSHALL & ILSLEY BANK

By \_\_\_\_\_  
Its \_\_\_\_\_

EXHIBIT A

Exhibit B to Loan Agreement

LOAN MATURITY SCHEDULE

<u>Date</u>	<u>Principal Amount</u>
June 1, 1999	\$ 200,000
June 1, 2000	200,000
June 1, 2001	0
June 1, 2002	350,000
June 1, 2003	350,000
June 1, 2004	375,000
June 1, 2005	375,000
June 1, 2006	375,000
June 1, 2007	375,000
June 1, 2008	400,000

**EXHIBIT B**