

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**SCHEDULE 13D
(Rule 13d-101)**

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULE 13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
RULE 13d-2(a)**

**Under the Securities Exchange Act of 1934
(Amendment No. _____)***

Lawson Products, Inc.

(Name of Issuer)

Common Stock, \$1.00 par value

(Title of Class of Securities)

520776105

(CUSIP Number)

**H. George Mann
1186 Linden Ave.
Highland Park, Illinois 60035
(847) 433-2298**

Copy to:

**Matthew S. Brown, Esq.
Katten Muchin Rosenman LLP
525 West Monroe Street
Suite 1900
Chicago, Illinois 60661
(312) 902-5200**

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

March 20, 2009

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page. The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1 NAMES OF REPORTING PERSON

H. George Mann, solely as trustee of each of SLP 2003 Trust A, created March 6, 2008; SLP 2003 Trust B, created March 6, 2008; SLP 2003 Trust C, created March 6, 2008; and SLP 2003 Trust D, created March 6, 2008

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP

- (a)
 (b)

3 SEC USE ONLY**4 SOURCE OF FUNDS**

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) **6 CITIZENSHIP OR PLACE OF ORGANIZATION**

United States

7 SOLE VOTING POWER

0

NUMBER OF
 SHARES
 BENEFICIALLY
 OWNED BY
 EACH
 REPORTING
 PERSON
 WITH

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

2,345,000 shares*

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

See Row 9 above.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES **13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

27.52 percent based on 8,511,022 shares of common stock outstanding as of March 5, 2009**

14 TYPE OF REPORTING PERSON

IN

* The Reporting Persons are pledgees of the shares and, due to the occurrence of certain events, have acquired the right to sell the shares. The owners of the shares also have the right to sell the shares under certain conditions. See Item 6 below.

** See Item 3 and Item 6 below.

1 NAME OF REPORTING PERSON

SLP 2003 Trust A, created March 6, 2008

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(a) (b) **3 SEC USE ONLY****4 SOURCE OF FUNDS**

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) **6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Illinois

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

781, 667 shares*

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

See Row 9 above.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES **13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

9.17 percent based on 8,511,022 shares of common stock outstanding as of March 5, 2009**

14 TYPE OF REPORTING PERSON

OO

* The Reporting Persons are pledgees of the shares and, due to the occurrence of certain events, have acquired the right to sell the shares. The owners of the shares also have the right to sell the shares under certain conditions. See Item 6 below.

** See Item 3 and Item 6 below.

1 NAME OF REPORTING PERSON

SLP 2003 Trust B, created March 6, 2008

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(a) (b) **3 SEC USE ONLY****4 SOURCE OF FUNDS**

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) **6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Illinois

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

781, 667 shares*

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

See Row 9 above.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES **13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

9.17 percent based on 8,511,022 shares of common stock outstanding as of March 5, 2009**

14 TYPE OF REPORTING PERSON

OO

* The Reporting Persons are pledgees of the shares and, due to the occurrence of certain events, have acquired the right to sell the shares. The owners of the shares also have the right to sell the shares under certain conditions. See Item 6 below.

** See Item 3 and Item 6 below.

1 NAME OF REPORTING PERSON

SLP 2003 Trust C, created March 6, 2008

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(a) (b) **3 SEC USE ONLY****4 SOURCE OF FUNDS**

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) **6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Illinois

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

390,833 shares*

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

See Row 9 above.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES **13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

4.59 percent based on 8,511,022 shares of common stock outstanding as of March 5, 2009**

14 TYPE OF REPORTING PERSON

OO

* The Reporting Persons are pledgees of the shares and, due to the occurrence of certain events, have acquired the right to sell the shares. The owners of the shares also have the right to sell the shares under certain conditions. See Item 6 below.

** See Item 3 and Item 6 below.

1 NAME OF REPORTING PERSON

SLP 2003 Trust D, created March 6, 2008

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP(a) (b) **3 SEC USE ONLY****4 SOURCE OF FUNDS**

OO

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) OR 2(e) **6 CITIZENSHIP OR PLACE OF ORGANIZATION**

Illinois

7 SOLE VOTING POWER

0

8 SHARED VOTING POWER

0

9 SOLE DISPOSITIVE POWER

390,833 shares*

10 SHARED DISPOSITIVE POWER

0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

See Row 9 above.

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES **13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)**

4.59 percent based on 8,511,022 shares of common stock outstanding as of March 5, 2009**

14 TYPE OF REPORTING PERSON

OO

* The Reporting Persons are pledgees of the shares and, due to the occurrence of certain events, have acquired the right to sell the shares. The owners of the shares also have the right to sell the shares under certain conditions. See Item 6 below.

** See Item 3 and Item 6 below.

ITEM 1. SECURITY AND ISSUER

This Schedule 13D relates to the Common Stock, \$1.00 par value (the "Common Stock"), of Lawson Products, Inc, a Delaware corporation (the "Issuer"). The principal executive offices of the Issuer are located at 1666 East Touhy Avenue, Des Plaines, Illinois 60018.

ITEM 2. IDENTITY AND BACKGROUND

(a) The persons filing this Schedule 13D are H. George Mann ("Mann"), solely as trustee of each of SLP 2003 Trust A, created March 6, 2008, SLP 2003 Trust B, created March 6, 2008, SLP 2003 Trust C, created March 6, 2008, and SLP Trust D, created March 6, 2008 (each an "SLP 2003 Trust" and collectively the "SLP 2003 Trusts"), and each of the SLP 2003 Trusts (Mann and the SLP 2003 Trusts, collectively the "Reporting Persons"). Mann is the sole trustee of the SLP 2003 Trusts and has sole power to act on behalf of the SLP 2003 Trusts.

(b) Mann's and the SLP 2003 Trusts' address is 1186 Linden Ave., Highland Park, Illinois, 60035.

(c) Mann is retired. The SLP 2003 Trusts are family planning vehicles of the family of Sidney L. Port.

(d) None of the Reporting Persons has, during the last five years, been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) None of the Reporting Persons has, during the last five years, been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject to a judgment, decree or final order enjoining future violations of or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect thereto.

(f) Mann is a United States citizen and the SLP 2003 Trusts are formed under the law of the State of Illinois.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Pursuant to certain secured promissory notes (the "Notes"), the SLP 2003 Trusts loaned an aggregate of \$11,625,000 to the Sidney L. Port Trust, dated July 22, 1970 (the "Estate") for family estate tax planning purposes. The Estate and Port Investments, L.P., another Port family entity, pledged an aggregate of 2,345,000 shares (the "Shares") of the Issuer as collateral for those loans. The SLP 2003 Trusts made loans to the Estate with cash obtained from assets held by the SLP 2003 Trusts.

ITEM 4. PURPOSE OF TRANSACTION

Due to the market price of the Issuer's common shares falling below a certain level, the Reporting Persons acquired the right, but are not obligated, to dispose of the Shares. The Reporting Persons may dispose of the Shares at any time and from time to time in the open market, in privately negotiated transactions or otherwise. All proceeds from any sale of Shares would be held as collateral to satisfy the obligations of the Estate under the Notes. Although the foregoing represents the range of activities presently contemplated by the Reporting Persons, the scope of possible activities is subject to change. Except as set forth in this Item 4, the Reporting Persons do not have any present plans or proposals which relate to or would result in any of the actions described in paragraphs (a) through (j) of Item 4 of Schedule 13D.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER

- (a) Number of shares: 2,345,000 shares
Percentage of shares: 27.52%

- (b) Sole power to vote or direct the vote: 0 shares
Shared power to vote or direct the vote: 0 shares
Sole power to dispose or to direct the disposition: 2,345,000 shares*
Shared power to dispose or direct the disposition: 0

(c) Other than acquiring the right to dispose of the Shares as reported in Item 4 above, the Reporting Persons have not had any transactions in the Issuer's shares of common stock in the past 60 days.

(d) Not applicable.

(e) Not applicable.

* The Reporting Persons are pledgees of the shares and, due to the occurrence of certain events, have acquired the right to sell the shares. The owners of the shares also have the right to sell the shares under certain conditions. See Item 6 below.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

Mann is the trustee of the SLP 2003 Trusts. As noted above in Item 3, the SLP 2003 Trusts loaned an aggregate of \$11,625,000 to the Estate for family estate tax planning purposes, and the Estate and Port Investments, L.P. pledged the Shares as collateral for those loans. Those pledges are pursuant to Pledge Agreements between each of the SLP 2003 Trusts and the Estate and Port Investments, L.P., respectively. Under the terms of these Pledge Agreements, the SLP 2003 Trusts were granted the right to sell some or all of the Shares upon the occurrence of certain events, including if the value of the Shares plus one and one half times the amount of any cash collateral posted for the Notes (including cash proceeds from the sale of Shares) fell below a certain level (a "Coverage Event"). Such Coverage Event occurred as of March 20, 2009 and the Reporting Persons became entitled, but not obligated, to sell Shares until the sales generate aggregate cash up to the Adjusted Aggregate Loan Exposure under the Pledge Agreements, which, as of the date hereof, is approximately \$22,686,000. Under the terms of the Pledge Agreements, this amount increases over time. The owners of the Shares still retain the sole right to vote them. The owners of the Shares also remain entitled to sell all or part of the Shares if, after giving effect to such sale, a Coverage Event would no longer be continuing and the cash proceeds of such sale is pledged as additional collateral for the obligations under the Notes. Under the terms of the Pledge Agreements, at all times that a Coverage Event exists and is continuing, the SLP 2003 Trusts are entitled to receive and to hold any dividends paid on the Shares.

The description of the terms of the Pledge Agreements and the Notes contained in this Item 6 is a summary, does not purport to be complete, and is qualified in its entirety by reference to the Pledge Agreements and the Notes referred to in Item 7 below as Exhibits 99.2 through and including 99.13, respectively, and each of which is incorporated herein by reference.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

The following documents are filed as exhibits (or incorporated by reference herein):

- Exhibit 99.1: Joint Filing Agreement.
- Exhibit 99.2: Secured Promissory Note, dated March 11, 2008, by The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated, in favor of the SLP 2003 Trust A, created March 6, 2008.
- Exhibit 99.3: Pledge Agreement, dated March 11, 2008, by and between The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated, and the SLP 2003 Trust A, created March 6, 2008.
- Exhibit 99.4: Pledge Agreement, dated March 11, 2008, by and between Port Investments, L.P. and the SLP 2003 Trust A, created March 6, 2008.
- Exhibit 99.5: Secured Promissory Note, dated March 11, 2008, by The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated, in favor of the SLP 2003 Trust B, created March 6, 2008.
- Exhibit 99.6: Pledge Agreement, dated March 11, 2008, by and between The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated, and the SLP 2003 Trust B, created March 6, 2008.
- Exhibit 99.7: Pledge Agreement, dated March 11, 2008, by and between Port Investments, L.P. and the SLP 2003 Trust B, created March 6, 2008.
- Exhibit 99.8: Secured Promissory Note, dated March 11, 2008, by The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated, in favor of the SLP 2003 Trust C, created March 6, 2008.
- Exhibit 99.9: Pledge Agreement, dated March 11, 2008, by and between The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated, and the SLP 2003 Trust C, created March 6, 2008.
- Exhibit 99.10: Pledge Agreement, dated March 11, 2008, by and between Port Investments, L.P. and the SLP 2003 Trust C, created March 6, 2008.
- Exhibit 99.11: Secured Promissory Note, dated March 11, 2008, by The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated, in favor of the SLP 2003 Trust D, created March 6, 2008.
- Exhibit 99.12: Pledge Agreement, dated March 11, 2008, by and between The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated, and the SLP 2003 Trust D, created March 6, 2008.
- Exhibit 99.13: Pledge Agreement, dated March 11, 2008, by and between Port Investments, L.P. and the SLP 2003 Trust D, created March 6, 2008.

Signature

After reasonable inquiry and to the best of its knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated this 23rd day of March, 2009

SLP 2003 Trust A, created March 6, 2008

By: /s/ H. George Mann
H. George Mann, solely as Trustee

SLP 2003 Trust C, created March 6, 2008

By: /s/ H. George Mann
H. George Mann, solely as Trustee

/s/ H. George Mann
H. George Mann, solely as Trustee

SLP 2003 Trust B, created March 6, 2008

By: /s/ H. George Mann
H. George Mann, solely as Trustee

SLP 2003 Trust D, created March 6, 2008

By: /s/ H. George Mann
H. George Mann, solely as Trustee

JOINT FILING AGREEMENT

The undersigned hereby agree that the Statement on Schedule 13D filed herewith (and any amendments thereto), relating to the common stock, par value \$1.00 per share, of Lawson Products, Inc., a Delaware corporation, is being filed jointly with the Securities and Exchange Commission pursuant to Rule 13d-1(k) (1) under the Securities Exchange Act of 1934, as amended, on behalf of each of the undersigned.

This Agreement may be executed in counterparts and each of such counterparts taken together shall constitute one and the same instrument.

Dated this 23rd day of March, 2009

SLP 2003 Trust A, created March 6, 2008

By: /s/ H. George Mann
H. George Mann, solely as Trustee

SLP 2003 Trust C, created March 6, 2008

By: /s/ H. George Mann
H. George Mann, solely as Trustee

/s/ H. George Mann
H. George Mann, solely as Trustee

SLP 2003 Trust B, created March 6, 2008

By: /s/ H. George Mann
H. George Mann, solely as Trustee

SLP 2003 Trust D, created March 6, 2008

By: /s/ H. George Mann
H. George Mann, solely as Trustee

SECURED PROMISSORY NOTE

\$3,875,000.00

March 11, 2008

FOR VALUE RECEIVED, RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated ("Borrower"), unconditionally promise to pay to the order of H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust A, created March 6, 2008 ("Lender"), the principal sum of THREE MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND AND ⁰⁰/₁₀₀ DOLLARS (\$3,875,000.00), together with interest thereon, in each case as set forth below, at the following address: 1186 Linden Avenue, Highland Park, Illinois 60035, or at such other place as the legal holder of this instrument may designate in writing from time to time.

1. General Definitions.

As used herein, the following terms have the meanings herein specified:

"Borrower Pledge Agreement" means that certain Pledge Agreement of even date herewith, executed by Borrower in favor of Lender, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

"Business Day." means any day other than a Saturday, Sunday or legal holiday on which commercial banks in Chicago, Illinois, are generally closed.

"Collateral" means any and all assets and rights and interests in or to property of Borrower and any other Person, whether real or personal, tangible or intangible or mixed, in each case on which a Lien is granted or purported to be granted to Lender pursuant to any of the Collateral Documents.

"Collateral Documents" means the Pledge Agreements and all other agreements, documents and instruments now or hereafter executed and delivered in connection with this Note, pursuant to which Liens are granted or are purported to be granted to Lender to secure all or any part of the Obligations.

"Credit Documents" means, collectively, this Note, the Guaranty, the Collateral Documents and all other agreements, documents, instruments and certificates, now or hereafter executed and delivered by and between Borrower and Lender in connection herewith or therewith, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

"Dollars" and the sign "\$" each mean freely transferable lawful money of the United States of America.

"Expenses" means all present and future expenses incurred by or on behalf of Lender in connection with this Note, any other Credit Document or otherwise, whether incurred heretofore or hereafter, which expenses shall include, without being limited to, the reasonable fees and expenses of counsel for Lender and of any accountants or other experts and agents that

Lender may incur in connection with (a) the documentation and administration of this Note and the other Credit Documents (including, without limitation, any fairness opinion delivered in connection with the Loan), (b) custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, including, without limitation, the Pledged Collateral, (d) the exercise or enforcement of any of the rights of Lender hereunder or under any of the other Credit Documents, or (e) the failure of Borrower to perform or observe any of the provisions hereof or of any of the other Credit Documents.

“Guarantor” means Roberta P. Washlow, an individual.

“Guaranty” means that certain Personal Guaranty of even date herewith, executed by Guarantor in favor of Lender, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Lien(s)” means (a) any lien, claim, charge, pledge, security interest, deed of trust, mortgage, other encumbrance or other arrangement having the practical effect of the foregoing or other preferential arrangement of any other kind and shall include the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement and (b) in addition, in the case of any investment property, any contract or other arrangement, express or implied, under which any Person has the right to control such investment property; provided however, that a “Lien” shall not include certain restrictions on dispositions by laws affecting the offering and sale of securities generally.

“Loan” means the loan in the original principal amount of \$3,875,000.00 made by Lender to Borrower and evidenced by this Note.

“Material Adverse Effect” means a material adverse effect on (a) the value of Collateral or the amount which Lender would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation of such Collateral, (b) the ability of Borrower to perform its obligations under the Credit Documents to which it is a party or (c) the rights and remedies of Lender under any Credit Document.

“Note” means this Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof.

“Obligations” means (a) the unpaid principal of and interest on the loan evidenced by this Note, (b) the Expenses, and (c) all other liabilities of Borrower to Lender which may arise under, out of, or in connection with, this Note, any other Credit Document or any other agreement, document or instrument made, delivered or given in connection herewith or therewith by and between Borrower and Lender.

“Patriot Act” means the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107- 56, as amended.

“Payment in Full” or “Paid in Full” means the indefeasible payment in full in immediately available Dollars of all Obligations (including interest accrued after the commencement of any Insolvency Proceeding irrespective of whether a claim for such interest is allowable in such Insolvency Proceeding) and the termination of any obligation of Lender to advance funds or otherwise make extensions of credit hereunder or under any of the other Credit Documents.

“Person” mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity, party or government (including any division, agency or department thereof), and, as applicable, the successors, heirs and assigns of each.

“PI Pledge Agreement” means that certain Pledge Agreement by Port Investments, L.P. in favor of the Lender, dated of even date herewith, pursuant to which Port Investments, L.P. has agreed to provide additional Collateral to secure the Loan.

“Pledge Agreements” means the Borrower Pledge Agreement and the PI Pledge Agreement, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Triggering Event” has the meaning ascribed to that term in Section 9 of this Note.

2. Interest Rate; Maturity. From the date of advance and thereafter until repayment, interest shall accrue on the unpaid Obligations, including, without limitation, the principal balance hereof at a fixed per annum rate of eight percent (8.00%), compounded quarterly in arrears. Interest due hereunder shall be computed on the basis of a year of three hundred sixty (360) days for the actual number of days (including the first day but excluding the last day) elapsed. Except for the quarterly interest payments required pursuant to Section 3 of this Note, all then outstanding principal and accrued but unpaid interest hereunder, and all other amounts due and payable by Borrower to Lender pursuant to the terms hereof, in each case shall be immediately due and payable on March 11, 2022 (the “Maturity Date”), without the necessity of any notice or demand.

3. Payments. Interest shall be payable hereunder quarterly in arrears on the 20th day of each April, July, October and January, commencing on July 20, 2008 in an amount equal to (i) in the case of such payment due and payable on July 20, 2008, Forty-seven Thousand Seven Hundred Sixty and ⁰⁰/₁₀₀ Dollars (\$47,760.00), and (ii) in the case of all other such payments, Forty-three Thousand Seven Hundred Fifty and ⁰⁰/₁₀₀ Dollars (\$43,750.00). Payment of the balance of the interest accruing hereunder shall be deferred, compounded quarterly and payable on the Maturity Date without the necessity of any notice or demand. The entire principal balance of the Loan and all accrued and unpaid interest thereon, and all other sums payable by Borrower in connection with the Loan shall be due and payable in full on the Maturity Date. Each determination by Lender of an interest rate or payment hereunder shall be

conclusive and binding for all purposes, absent manifest error. If any payment under this Note becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day.

4. No Prepayment. The Note may not be prepaid in whole or in part at any time prior to the Maturity Date.

5. Collateral. This Note is secured by the Collateral Documents. Reference is made to the Collateral Documents for the terms and conditions governing the Collateral which secures the Obligations.

6. Representations and Warranties. To induce Lender to make the Loan, Borrower hereby represents and warrants to Lender that:

(a) Ownership of Collateral. Borrower owns all of the Collateral free and clear of all Liens other than the Liens in favor of Lender and Liens in favor of taxing authorities with respect to the payment of federal and state transfer taxes.

(b) No Conflict. The execution and delivery of, and performance by Borrower under, this Note and each of the other Credit Documents to which it is a party: (a) are within its trust powers; (b) are duly authorized by all necessary trust or trustee action; (c) are not in contravention of any applicable requirement of law or any indenture, contract, lease, agreement, instrument or other commitment to which it is a party or by which it or any of its properties are bound; (d) do not require the consent, registration or approval of any governmental authority or any other Person (except such as have been (or will be in the case of Uniform Commercial Code filings) duly obtained, made or given, and are in full force and effect); and (e) will not, except as contemplated herein, result in the imposition of any Liens upon any of the Collateral.

(c) Enforceability. This Note and all of the other Credit Documents to which Borrower is a party are the legal, valid and binding obligations of Borrower and are enforceable against Borrower in accordance with their terms, except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity.

(d) Consents. No consent or authorization of, filing with or other act by or in respect of, any governmental authority or any other Person is required in connection with the making of the Loan or with the execution, delivery, performance, validity or enforceability of this Note or the other Credit Documents, except for consents or authorizations that have been obtained or filings that have been (or will be in the case of Uniform Commercial Code filings) made and which, in each case, are in full force and effect.

(e) No Judgments or Litigation. No judgments, orders, writs or decrees are outstanding against Borrower nor is there now pending or, to the best of Borrower's knowledge, threatened any litigation, contested claim, investigation, arbitration, or

governmental proceeding by or against Borrower except for any such judgment, order, writ, decree, litigation, contested claim, investigation, arbitration or governmental proceeding that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect.

(f) No Defaults. Borrower is not in default under any term of any indenture, contract, lease, agreement, instrument or other commitment to which Borrower is a party or by which Borrower is bound except for any such default that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect. Borrower knows of no material dispute regarding any such indenture, contract, lease, agreement, instrument or other commitment except for any such dispute that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect.

(g) Compliance with Law. Borrower is not in violation in any material respect with any applicable requirement of law or any requirement of any self-regulatory organization.

(h) Investment Company, Etc. Borrower is not subject to any law which purports to regulate or restrict its ability to borrow money or to consummate the transactions contemplated by this Note or the other Credit Documents or to perform its obligations hereunder or thereunder.

All representations and warranties of Borrower contained in this Note shall survive the execution and delivery of this Note.

7. Affirmative Covenants. Until Payment in Full, Borrower agrees that:

(a) Existence. Borrower shall maintain its trust existence.

(b) Further Assurances. Borrower shall take all such further actions and execute all such further documents and instruments as Lender may at any time reasonably determine to be necessary to further carry out and consummate the transactions contemplated by the Credit Documents.

8. Negative Covenants. Until Payment in Full, Borrower agrees that:

(a) No Liens. Borrower shall not directly or indirectly, mortgage, assign, pledge, transfer, create, incur, assume, suffer to exist or otherwise permit any Lien to exist on any of the Collateral other than the Liens in favor of Lender and Liens in favor of taxing authorities with respect to the payment of federal and state transfer taxes.

(b) No Sale of Collateral. Except as otherwise expressly permitted pursuant to the respective Pledge Agreements, Borrower shall not directly or indirectly, sell, lease, assign, transfer or otherwise dispose of any Collateral.

9. Triggering Events. The occurrence of any of the following events shall constitute a "Triggering Event" hereunder (whatever the reason for such event and whether it shall be voluntary or involuntary, or within or without the control of Borrower or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body):

(a) Borrower fails to make (i) the payment of principal and interest due and payable on the Maturity Date pursuant to the terms hereof, (ii) any quarterly interest payment required by Section 3 of this Note, or (iii) payment of any other amount due and payable under this Note or any of the other Credit Documents, and in the case of clauses (ii) and (iii) only, such failure continues for five (5) Business Days; or

(b) any representation or warranty made by Borrower under this Note or under any other Credit Document shall prove to have been incorrect or misleading in any material respect when made, except to the extent that such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall prove to have been incorrect or misleading in any material respect on or as of such earlier date); or

(c) Borrower fails to perform, comply with or observe any term, covenant or agreement applicable to it contained in Section 8 of this Note; or

(d) Borrower fails to comply with any covenant contained in this Note (other than under a provision covered by the foregoing clauses (a), (b) and (c) of this Section 9), or any of the other Credit Documents, which failure to comply is not cured thirty (30) calendar days after the earlier of the date that Borrower (i) receives notice from Lender of such failure or (ii) has actual knowledge of such failure; or

(e) dissolution, liquidation or winding up of Borrower, or the failure of Borrower to meet its debts as they mature, or the calling of one or more meetings of the major creditors of Borrower for purposes of obtaining a moratorium on payment or a compromise of such Borrower's debts; or

(f) the commencement by or against Borrower of any bankruptcy, insolvency, arrangement, reorganization, receivership or similar proceedings under any federal or state law and, in the event any such proceeding is commenced against Borrower, such proceeding is not dismissed within sixty (60) calendar days; or

(g) any covenant, agreement or obligation of any Person contained in or evidenced by any of the Credit Documents shall cease to be enforceable in accordance with its terms, or any party (other than Lender) to any Credit Document shall deny or disaffirm its obligations under any of the Credit Documents, or any Credit Document shall be cancelled, terminated, revoked or rescinded without the express prior written consent of Lender, or any court or other Governmental Authority shall issue a judgment, order, decree or ruling to the effect that any of the obligations of any party to any Credit Document are illegal, invalid or unenforceable; or

(h) except as otherwise expressly permitted herein or in any of the other Credit Documents, Lender does not have or ceases to have a valid and perfected first priority security interest in the Collateral or any substantial portion thereof; or

(i) the occurrence of a "Coverage Event" (as such term is defined in the Borrower Pledge Agreement).

Upon the occurrence of a Triggering Event, Lender may exercise any remedy available to Lender pursuant to the Collateral Documents and any of the other Credit Documents.

10. Reimbursement of Expenses. Borrower shall reimburse Lender for all Expenses as the same are incurred by Lender upon Lender's demand therefor.

11. Notices. All notices and other communications provided for hereunder shall be in writing and shall be mailed, facsimiled or delivered, if to Borrower, at the following address:

The Sidney L. Port Trust Dated July 22, 1970
Roberta P. Washlow, Co-Trustee
[DELETED]

The Sidney L. Port Trust Dated July 22, 1970
Ronald B. Port, Co-Trustee
[DELETED]

The Sidney L. Port Trust Dated July 22, 1970
H. George Mann, Co-Trustee
1186 Linden Avenue
Highland Park, Illinois 60035
Facsimile: [DELETED]

with a copy to:

MCDERMOTT WILL & EMERY LLP
227 West Monroe Street, Suite 4400
Chicago, Illinois 60606-5096
Attention: James Cundiff
Facsimile: (312) 984-7700

with a copy to:

MAYER BROWN LLP
71 S. Wacker Drive
Chicago, Illinois 60606
Attention: James A. Casey
Facsimile: (312) 701-7711

and, if to Lender, to it at the following address:

SLP 2003 Trust A, created March 5, 2008
H. George Mann, Trustee
1186 Linden Avenue
Highland Park, Illinois 60035
Facsimile: [DELETED]

with a copy to:

SLP 2003 Trust A, created March 5, 2008
Roberta P. Washlow, Beneficiary
[DELETED]

with a copy to

MAYER BROWN LLP
71 S. Wacker Drive
Chicago, Illinois 60606
Attention: James A. Casey
Facsimile: (312) 701-7711

with a copy to:

KATTEN MUCHIN ROSENMAN LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: Michael O. Hartz, Esq.
Facsimile: (312) 577-8789

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section 11. All such notices and other communications shall be effective, (a) if mailed, when received or three days after deposited in the mails, whichever occurs first, (b) if facsimiled, on the date of transmission if transmitted before 4:00 p.m. (Chicago time), otherwise on the next Business Day, (c) if delivered by personal delivery, upon delivery, or (d) if delivered by overnight courier, one (1) Business Day after delivery to the courier (specifying one (1) Business Days' delivery), in each case, properly addressed.

12. SUBMISSION TO JURISDICTION; WAIVERS. BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS NOTE AND THE OTHER CREDIT DOCUMENTS TO WHICH IT IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NONEXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE NORTHERN DISTRICT OF ILLINOIS, IN EACH CASE LOCATED IN CHICAGO, ILLINOIS, AND APPELLATE COURTS FROM ANY THEREOF;

(b) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER, OR ITS PROPERTY IN THE COURTS OF OTHER JURISDICTIONS; AND

(d) WAIVES DUE DILIGENCE, DEMAND, PRESENTMENT AND PROTEST AND ANY NOTICES THEREOF AS WELL AS NOTICE OF NONPAYMENT.

13. JURY TRIAL. BORROWER AND LENDER EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF THIS NOTE, THE OTHER CREDIT DOCUMENTS OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO.

14. GOVERNING LAW. THE RIGHTS AND DUTIES OF BORROWER AND LENDER UNDER THIS NOTE (INCLUDING MATTERS RELATING TO THE MAXIMUM PERMISSIBLE RATE) AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

15. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event, shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

16. Indemnification. Borrower shall and hereby agrees to indemnify, defend and hold harmless Lender and its respective trustees, agents, employees, counsel, advisors and affiliates from and against any and all losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred by any of them (except to the extent that it is finally judicially determined to have resulted from their own gross negligence or willful misconduct) arising out of or by reason of any litigations, investigations, claims or proceedings which arise out of or are in any way related to (i) this Note or the transactions contemplated hereby by and between Lender, Borrower and/or Guarantor, (ii) any actual or proposed use by Borrower of the proceeds of the Loan; or (iii) Lender's entering into this Note, the other Credit Documents or any other agreements, documents and instruments by and between Lender, Borrower and/or Guarantor relating hereto or thereto. If and to the extent that the Obligations of Borrower hereunder are unenforceable for any reason, Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such Obligations which is permissible under applicable law. Borrower's obligations hereunder shall survive any termination of this Note and the other Credit Documents and Payment in Full.

17. Entire Agreement. This Note and the other Credit Documents constitute the entire agreement between Borrower and Lender (in their respective capacities as such) and supersede any prior agreements between them.

18. Nonliability of Lender. The relationship between Borrower and Lender shall be solely that of borrower and lender. Lender, in its capacity as Lender, shall have no fiduciary responsibilities to Borrower. Lender undertakes no responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations.

19. Amendments, Etc. No amendment or waiver of any provision of this Note or any other Credit Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by Lender (and, in the case of amendments, Borrower), and each such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

20. Counterparts. Delivery of an executed copy of this Note by facsimile or email transmission shall be equally as effective as delivery of an original copy of this Note.

21. Severability. In case any provision in or obligation under this Note or the other Credit Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

22. Headings Descriptive. The headings of the several sections and subsections of this Note, are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Note.

23. Rights Cumulative. Each of the rights and remedies of Lender under this Note and the other Credit Documents shall be in addition to all of its other rights and remedies under this Note and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

24. Patriot Act. Lender, to the extent Lender is subject to the Patriot Act, hereby notifies Borrower that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Patriot Act.

[Remainder of Page Intentionally Left]

-Signature Page Follows-

BORROWER

THE SIDNEY L. PORT TRUST DATED JULY 22, 1970

By: /s/ Ronald B. Port

Ronald B. Port, as Co-Trustee of The Sidney L. Port Trust
Dated July 22, 1970

By: /s/ Roberta P. Washlow

Roberta P. Washlow, as Co-Trustee of The Sidney L. Port
Trust Dated July 22, 1970

[Signature Page to Loan A Secured Promissory Note]

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this "Agreement") is dated as of March 11, 2008, and entered into by and between RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970, as restated ("Borrower"), and H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust A, created March 6, 2008 ("Lender").

RECITALS:

WHEREAS, pursuant to that certain Secured Promissory Note in the original principal amount of Three Million Eight Hundred Seventy-Five Thousand and 00/100 Dollars (\$3,875,000.00) (the "Original Principal Amount") of even date herewith, issued by Borrower to Lender (such Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof, the "Note"), Lender has agreed to make a loan (the "Loan") to Borrower in the Original Principal Amount; and

WHEREAS, Borrower owns 381,667 shares (the "Pledged Interests") of the issued and outstanding common stock of Lawson Products, Inc., a Delaware corporation ("Lawson") and, in order to further secure the prompt and complete payment, performance and observance of all "Obligations" (as such term is defined in the Note), Borrower has agreed to pledge the Pledged Collateral (as such term is defined below) to Lender;

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to make the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees with Lender as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Note.

2. Pledge. Borrower hereby pledges, hypothecates, assigns, transfers and delivers unto Lender, and hereby grants to Lender a Lien on, the following property and interests in property of Borrower (collectively, the "Pledged Collateral"):

(a) the Pledged Interests, and all cash, securities, interest, dividends, distributions, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Interests;

(b) all other property hereafter delivered to Borrower in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such property and all cash, securities, interest, dividends, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(c) (i) the Cash Collateral Account (as such term is defined below), (ii) all general intangibles, claims and privileges of any kind in respect of the Cash Collateral Account, (iii) all funds, items, instruments, investment property, financial assets, securities and other things of value of any kind of or for the account of Borrower at any time paid to, deposited with, credited or held by or withdrawable from or in transit to the Cash Collateral Account, and all other property of Borrower from time to time in the possession or under the control of, or in transit to, the Securities Firm (as such term is defined below), in its capacity as such, or any agent, bailee or custodian thereof; and

(d) all proceeds of any of the foregoing.

Borrower agrees to execute and deliver to Lender promptly upon receipt of Lender's request therefor: (i) assignments separate from certificate in form and substance reasonably satisfactory to Lender, undated and appropriately endorsed in blank, with respect to the Pledged Interests and (ii) such other documents of transfer as Lender may from time to time reasonably request to enable Lender to transfer, after the occurrence and during the continuance of a Triggering Event, the Pledged Collateral into Lender's name or the name of Lender's nominee (all of the foregoing are hereinafter collectively referred to as the "Powers").

3. Security for Obligations. The Pledged Collateral secures the prompt and complete payment, performance and observance of all Obligations, including, without limitation, all obligations and liabilities of Borrower hereunder.

4. Representations and Warranties of Borrower. Borrower represents and warrants to Lender that:

(a) No part of the Pledged Collateral is subject to any previous assignment and, except for the interest granted to Lender pursuant to this Agreement, Borrower owns (and will keep) the Pledged Collateral free and clear of all Liens.

(b) Borrower owns and has good and marketable title to the Pledged Interests as of the date hereof.

(c) The pledge of the Pledged Interests pursuant to this Agreement creates a valid and continuing perfected first priority Lien on the Pledged Collateral, in favor of Lender, securing the prompt and complete payment, performance and observance of the Obligations.

(d) Each of the Powers is duly executed and delivered and gives Lender the authority it purports to confer.

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or Person is required either for (i) the pledge by Borrower of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Borrower or (ii) for the exercise by Lender of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

5. Voting Rights; Dividends; Etc.

(a) Borrower shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Interests or any part thereof for any purpose not inconsistent with the terms of this Agreement.

(b) So long as no Triggering Event shall have occurred and be continuing under Section 9(a) or 9(i) of the Note, Borrower shall be entitled to receive and retain any and all dividends and distributions paid in respect of the Pledged Interests (but shall in no event be entitled at any time to receive or retain any dividends, distributions or interest paid in respect of any other Pledged Collateral), provided that any such dividends and distributions paid in respect of the Pledged Interests shall first be used to make the quarterly interest payments required by Section 3 of the Note; provided, further, however, that any and all:

(1) dividends, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(2) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(3) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral, shall be Pledged Collateral and shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Borrower, be received in trust for the benefit of Lender, be segregated from the other property or funds of Borrower and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) Upon the occurrence and during all times that the Coverage Ratio is equal to or less than 1.50 to 1.00 (a "Coverage Event");

(i) All rights of Borrower to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 5(b) of this Agreement shall cease, and, all such rights shall thereupon become vested in Lender who, together with any assignee or designee of all or any portion of its rights hereunder, shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments.

(ii) All dividends, distributions and interest payments which are received by Borrower contrary to the provisions of paragraph (i) of this Section 5(c) shall be segregated from other funds of Borrower and shall be immediately paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

6. Additional Covenants.

(a) Coverage Ratio: Notwithstanding anything to the contrary in this Agreement, upon a Coverage Event, Lender shall have the option, exercised in Lender's sole and absolute discretion, to (A) request the pledge by Borrower, which request Borrower may refuse, in favor of Lender of additional assets as Pledged Collateral (whether in the form of a pledge of additional shares of Lawson common stock or a pledge of other assets satisfactory to Lender) with an aggregate value (as determined in good faith by Lender) at least sufficient to cause the Coverage Ratio, after giving effect to such pledge of additional assets, to be greater than 1.50 to 1.00, such pledge to be effected no later than five (5) Business Days after Borrower's receipt of such request, or (B) sell all or a portion of the Pledged Interests in an amount sufficient to generate cash collateral which, when added to the aggregate value (as determined in good faith by Lender) of all other cash, cash equivalents or other investment property then maintained in the Cash Collateral Account, is not less than the Adjusted Aggregate Loan Exposure at such time.

(b) For purposes hereof:

(i) "Adjusted Aggregate Loan Exposure" means, at any time of determination thereof, the amount obtained by discounting the Aggregate Loan Exposure at such time from the Maturity Date to the time of determination thereof in accordance with accepted financial practice and at a discount factor equal to two percent (2.00%) per annum, compounded quarterly; provided, however, that such percentage may be increased by written agreement of Borrower and Lender.

(ii) "Aggregate Loan Exposure" means, at any time of determination thereof, an amount equal to the sum at such time of (A) the Original Principal Amount, plus (B) accrued but unpaid interest under the Note, plus (C) all remaining interest to be paid by Borrower through and including the Maturity Date.

(iii) "Aggregate Value of Lawson Shares" means, at any time of determination thereof, (A) the sum at such time of (I) the Pledged Interests, plus (II) 400,000 of the issued and outstanding shares of the common stock of Lawson owned by Port Investments, L.P. ("PI") and pledged by PI in favor of Lender pursuant to the terms of that certain Pledge Agreement of even date herewith between PI and Lender, plus (III) any other shares of common stock of Lawson that Borrower, PI or any other Person may subsequent to the date of this Agreement pledge to Lender as Pledged Collateral to secure the Obligations, multiplied by (B) the arithmetic average of the Weighted Average Price of the shares of Lawson common stock on each of the five (5) consecutive Trading Days immediately preceding the applicable date of determination.

(iv) "Coverage Ratio" means, at any time of determination thereof, the ratio of (A) the Aggregate Value of Lawson Shares plus 1.5 times the value of the Cash Collateral Account, to (B) the Adjusted Aggregate Loan Exposure, in each case at such time.

(v) "Net Proceeds" means the cash proceeds (net of cash taxes paid or payable, and reasonable and customary costs paid to unrelated and unaffiliated third parties in connection with a particular transaction) arising from any sale of the Pledged Interests permitted under Section 6(d) of this Agreement.

(vi) "Principal Market" means the NASDAQ Global Select Market.

(vii) "Trading Day" means any day on which the Lawson common stock (or other security as applicable) is traded on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security); provided, however, that "Trading Day" shall not include any day on which the Lawson common stock (or other security, as applicable) is scheduled to trade, or actually trades, on the Principal Market (or other securities exchange or trading market) for less than 4.5 hours.

(viii) "Weighted Average Price" means, for the Lawson common stock or any other security as of any date, the volume-weighted average price for the Lawson common stock or other security on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security) during the period beginning at 9:30 a.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official close of trading), as reported by Bloomberg through its "Volume at Price" functions, or, if the foregoing does not apply, the volume-weighted average price for the Lawson common stock or other security in the over-the-counter market on the electronic bulletin board for the Lawson common stock or other security during the period beginning at 9:30 a.m., New York City Time (or such

other time as such over-the-counter market publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official close of trading), as reported by Bloomberg, or, if no volume-weighted average price is reported for the Lawson common stock or other security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Lawson common stock or other security as reported in the "pink sheets" by the National Quotation Bureau, Inc. If the Weighted Average Price cannot be calculated for the Lawson common stock or other security on such date on any of the foregoing bases, the Weighted Average Price of the Lawson common stock or other security on such date shall be the fair market value as mutually determined by Borrower and Lender. If Borrower and Lender are unable to agree upon the fair market value of the Lawson common stock or other security, then such dispute shall be resolved by an independent, reputable investment banking firm agreed to by Borrower and Lender, whose determination shall be deemed final and conclusive, absent manifest error. All determinations of Weighted Average Price are to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during any period during which the Weighted Average Price is being determined.

(c) Cash Collateral Account: Any additional assets of Borrower pledged, and any cash collateral constituting proceeds of Pledged Interests sold, in each case pursuant to Section 6(a) of this Agreement, shall, immediately upon receipt thereof by Lender, be delivered by Lender to the Securities Firm (hereinafter defined) for deposit into a separate designated sub-account (the "Cash Collateral Account") of the Securities Account (hereinafter defined) maintained with the Securities Firm pursuant to the Securities Account Control Agreement (hereinafter defined). Prior to the establishment of the Cash Collateral Account, any such additional assets and cash collateral shall be deposited by Lender into a separate designated account maintained by Lender with a financial institution selected by Lender and reasonably satisfactory to Borrower.

(d) Sale of the Pledged Interests by Borrower: Borrower shall have the right to sell all or any part of the Pledged Interests at any time without the consent of Lender; provided, however, that (i) after giving effect to each such sale, a Coverage Event shall not have occurred and be continuing and (ii) one hundred percent (100%) of the Net Proceeds of each such sale shall be received in immediately available Dollars and deposited promptly upon receipt thereof into the Cash Collateral Account (or, prior to the establishment of the Cash Collateral Account, the separate designated account maintained by Lender pursuant to Section 6(c) of this Agreement).

(e) Payments out of the Cash Collateral Account: At all times that the value of the Cash Collateral Account is greater than the Adjusted Aggregate Loan Exposure, Lender shall allow Borrower to withdraw such excess from the Cash Collateral Account. This determination shall be made by Lender (i) upon the deposit of any amount into the Cash Collateral Account and (ii) at the end of each calendar year.

(f) **Sale of Pledged Interests by Lender:** Notwithstanding anything in this Agreement to the contrary, Lender shall have the right to sell all or a portion of the Pledged Interests upon the occurrence of a Triggering Event under Section 9(a) or 9(i) of the Note in an amount sufficient to generate cash collateral sufficient to satisfy Borrower's obligation under the Note with respect to such Triggering Event.

7. Remedies.

(a) Upon the occurrence and during the continuance of (i)(A) a Triggering Event under Section 9(a) or 9(i) of the Note or (B) a Coverage Event, in each case prior to the Maturity Date or (ii) any Triggering Event at any time after the Maturity Date, Lender may exercise in respect of the Pledged Collateral, to the extent permitted by applicable law, all rights and remedies of a secured party under Article 9 of the Uniform Commercial Code of the State of Illinois (the "UCC") in order to cure any such Triggering Event or Coverage Event (as the case may be), whether or not the UCC applies to the affected Pledged Collateral. Lender also, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Borrower or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may, to the extent permitted under applicable law, forthwith collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral, or any part thereof, in one or more portions at one or more public or private sales or dispositions, at any exchange or broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as Lender may deem advisable and at such prices as it may deem best, for any combination of cash and/or securities or other property or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale, public or private, to purchase the whole or any part of said Pledged Interests so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby expressly waived and released. Only after so paying over such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need Lender account for the surplus, if any, to Borrower. Borrower agrees that Lender need not give more than ten (10) days' prior written notice of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to Borrower if it has signed after default a statement renouncing or modifying any right to notification of sale or other intended disposition. Notwithstanding the foregoing or anything to the contrary contained herein, Lender shall not have the right to cause the Loan to be prepaid in whole or in part at any time prior to the Maturity Date.

(b) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after a Triggering Event, Borrower agrees that after the occurrence of a Triggering Event, Lender may, from time to time, attempt to sell, or cause Borrower to sell, all or any part of the Pledged Collateral by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If Lender solicits such offers from not less than two (2) such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, that this Section does not impose a requirement that Lender solicit offers from four or more investors in order for the sale to be commercially reasonable.

8. Duty of Care. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law, including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with Lender's (a) gross negligence or willful misconduct, or (b) failure to use reasonable care with respect to the safe custody of the Pledged Collateral in such Person's possession. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other Persons but may do so at its option. All expenses incurred in connection therewith shall be for the sole account of Borrower, and shall constitute part of the Obligations secured hereby.

9. No Disposition, Etc. Except as expressly set forth in Section 6 of this Agreement, Borrower agrees that it will not sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any Pledged Collateral, nor will Borrower create, incur or permit to exist any Lien on any of the Pledged Collateral, except for the Lien granted to Lender pursuant to this Agreement.

10. Further Assurances. Borrower agrees that at any time, and from time to time, at the expense of Borrower, Borrower will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Borrower agrees to take any action as Lender may reasonably request in order to perfect the security interest granted hereunder.

11. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Amendments; etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Borrower herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Successors. This Agreement and all obligations of Borrower hereunder shall be binding upon the successors and assigns of Borrower, and shall, together with the rights and remedies of Lender hereunder, inure to the benefit of Lender and its respective successors and assigns, except that Borrower shall not have any right to assign its rights or obligations under this Agreement or any interest herein without the prior written consent of Lender.

14. Termination. Upon Payment in Full, this Agreement and the Lien granted hereunder shall terminate and Lender shall return the Pledged Interests to Borrower.

15. Possession of Pledged Collateral. Borrower shall deliver the Pledged Interests to Lender or to a Person who has agreed in writing to act as Lender's agent for such purposes, and Lender (or such other Person as the case may be) shall take possession of the Pledged Interests, in each case on the Closing Date, and Lender (or such other Person as the case may be) shall thereafter hold the Pledged Interests pursuant to the terms hereof; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein, Lender agrees to deliver the Pledged Interests to a "securities intermediary" (as such term is defined in the UCC) selected by Borrower (the "Securities Firm") and at the request and expense of Borrower to be deposited into a securities account (the "Securities Account") pursuant to a securities account control agreement (the "Securities Account Control Agreement"), in form and substance mutually acceptable to Borrower and Lender, but in all events sufficient to maintain Lender's "control" (as such term is defined in the UCC) of the Pledged Interests.

16. Survival of Representations. All representations and warranties of Borrower contained in this Agreement shall survive the execution and delivery of this Agreement.

17. Lender Appointed Attorney-In-Fact. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise, (a) during the continuation of a Triggering Event under Section 9(a) or 9(i) of the Note or (b) in the event of a Coverage Event prior to the Maturity Date or any Triggering Event at any time after the Maturity Date, in Lender's discretion, to take any action and to execute and deliver any instrument that Lender deems reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to Borrower representing any dividend or other distribution in respect of the

Pledged Collateral or any part thereof and to give full discharge for the same and to arrange for the transfer of all or any part of the Pledged Collateral on the books of the issuer to the name of Lender or Lender's nominee.

18. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other party any other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given (and deemed to have been given) in the manner and to the respective addresses set forth in Section 11 of the Note. Failure or delay in delivering copies of any such notice, demand, request, consent, approval, declaration or other communication to any Persons designated in the Credit Agreement to receive copies shall in no way adversely affect the effectiveness of such notice or other communication.

19. GOVERNING LAW. THE RIGHTS AND DUTIES OF BORROWER AND LENDER UNDER THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

20. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

21. Entire Agreement. This Agreement and the other Credit Documents constitute the entire agreement between Borrower and Lender (in their respective capacities as such) and supersede any prior agreements between them.

22. Nonliability of Lender. The relationship between Borrower and Lender shall be solely that of borrower and lender. Lender shall have no fiduciary responsibilities to Borrower. Lender undertakes no responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations.

23. Counterparts. This Agreement may be executed in any number of counterpart, each of which shall be an original, but all of which shall together constitute one and the same agreement. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this Agreement.

24. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

25. Rights Cumulative. Each of the rights and remedies of Lender under this Agreement and the other Credit Documents shall be in addition to all of its other rights and remedies under this Agreement and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

26. Acknowledgement of PI Pledge Agreement. The Borrower hereby (i) acknowledges receipt of a copy of the PI Pledge Agreement, and (ii) acknowledges and agrees to the terms and provisions thereof, including, without limitation, Section 7(c).

*[Remainder of Page Intentionally Left Blank]
- Signature Page Follows -*

IN WITNESS WHEREOF, the parties hereto have caused this Pledge Agreement to be duly executed and delivered by their duly authorized trustees on the date first above written.

BORROWER

THE SIDNEY L. PORT TRUST DATED JULY 22, 1970

By: /s/ Ronald B. Port
Ronald B. Port, as Co-Trustee of The Sidney L. Port Trust
Dated July 22, 1970

By: /s/ Roberta P. Washlow
Roberta P. Washlow, as Co-Trustee of The Sidney L. Port
Trust Dated July 22, 1970

LENDER

SLP 2003 TRUST A

By: /s/ H. George Mann
H. George Mann, as Trustee of the SLP 2003 Trust A

[Signature Page to Loan A Pledge Agreement]

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this "Agreement") is dated as of March 11, 2008, and entered into by and between PORT INVESTMENTS, L.P., a Delaware limited partnership ("Pledgor"), and H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust A, created March 6, 2008 ("Lender").

RECITALS:

WHEREAS, pursuant to that certain Secured Promissory Note in the original principal amount of Three Million Eight Hundred Seventy-Five Thousand and 00/100 Dollars (\$3,875,000.00) (the "Original Principal Amount") of even date herewith, issued by RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970, as restated ("Borrower") to Lender (such Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof, the "Note"), Lender has agreed to make a loan (the "Loan") to Borrower in the Original Principal Amount; and

WHEREAS, Pledgor owns 1,200,000 shares of the issued and outstanding common stock of Lawson Products, Inc., a Delaware corporation ("Lawson") and, in order to further secure the prompt and complete payment, performance and observance of all "Obligations" (as such term is defined in the Note), Pledgor has agreed to pledge 400,000 of such shares (the "Pledged Interests") and the other Pledged Collateral (as such term is defined below) to Lender;

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to make the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby agrees with Lender as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Note.

2. Pledge. Pledgor hereby pledges, hypothecates, assigns, transfers and delivers unto Lender, and hereby grants to Lender a Lien on, the following property and interests in property of Pledgor (collectively, the "Pledged Collateral"):

(a) the Pledged Interests, and all cash, securities, interest, dividends, distributions, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Interests;

(b) all other property hereafter delivered to Pledgor in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such property and all cash, securities, interest, dividends, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(c) (i) the Cash Collateral Account (as such term is defined below), (ii) all general intangibles, claims and privileges of any kind in respect of the Cash Collateral Account, (iii) all funds, items, instruments, investment property, financial assets, securities and other things of value of any kind of or for the account of Pledgor at any time paid to, deposited with, credited or held by or withdrawable from or in transit to the Cash Collateral Account, and all other property of Pledgor from time to time in the possession or under the control of, or in transit to, the Securities Firm (as such term is defined below), in its capacity as such, or any agent, bailee or custodian therefor; and

(d) all proceeds of any of the foregoing.

Pledgor agrees to execute and deliver to Lender promptly upon receipt of Lender's request therefor: (i) assignments separate from certificate in form and substance reasonably satisfactory to Lender, undated and appropriately endorsed in blank, with respect to the Pledged Interests and (ii) such other documents of transfer as Lender may from time to time reasonably request to enable Lender to transfer, after the occurrence and during the continuance of a Triggering Event, the Pledged Collateral into Lender's name or the name of Lender's nominee (all of the foregoing are hereinafter collectively referred to as the "Powers").

3. Security for Obligations. The Pledged Collateral secures the prompt and complete payment, performance and observance of all Obligations, including, without limitation, all obligations and liabilities of Pledgor hereunder.

4. Representations and Warranties of Pledgor. Pledgor represents and warrants to Lender that:

(a) No part of the Pledged Collateral is subject to any previous assignment and, except for the interest granted to Lender pursuant to this Agreement, Pledgor owns (and will keep) the Pledged Collateral free and clear of all Liens.

(b) Pledgor owns and has good and marketable title to the Pledged Interests as of the date hereof.

(c) The pledge of the Pledged Interests pursuant to this Agreement creates a valid and continuing perfected first priority Lien on the Pledged Collateral, in favor of Lender, securing the prompt and complete payment, performance and observance of the Obligations.

(d) Each of the Powers is duly executed and delivered and gives Lender the authority it purports to confer.

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or Person is required either for (i) the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor or (ii) for the exercise by Lender of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

5. Voting Rights; Dividends; Etc.

(a) Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Interests or any part thereof for any purpose not inconsistent with the terms of this Agreement.

(b) So long as no Triggering Event shall have occurred and be continuing under Section 9(a) or 9(i) of the Note, Pledgor shall be entitled to receive and retain any and all dividends and distributions paid in respect of the Pledged Interests (but shall in no event be entitled at any time to receive or retain any dividends, distributions or interest paid in respect of any other Pledged Collateral); provided, however, that any and all:

(1) dividends, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(2) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(3) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral, shall be Pledged Collateral and shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for the benefit of Lender, be segregated from the other property or funds of Pledgor and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) Upon the occurrence and during all times that the Coverage Ratio is equal to or less than 1.50 to 1.00 (a "Coverage Event"):

(i) All rights of Pledgor to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 5(b) of this Agreement shall cease, and, all such rights shall thereupon become vested in Lender who, together with any assignee or designee of all or any portion of its rights hereunder, shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments.

(ii) All dividends, distributions and interest payments which are received by Pledgor contrary to the provisions of paragraph (i) of this Section 5(c) shall be segregated from other funds of Pledgor and shall be immediately paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

6. Additional Covenants.

(a) Coverage Ratio: Notwithstanding anything to the contrary in this Agreement, upon a Coverage Event, Lender shall have the option, exercised in Lender's sole and absolute discretion, to (A) request the pledge by Pledgor, which request Pledgor may refuse, in favor of Lender of additional assets as Pledged Collateral (whether in the form of a pledge of additional shares of Lawson common stock or a pledge of other assets satisfactory to Lender) with an aggregate value (as determined in good faith by Lender) at least sufficient to cause the Coverage Ratio, after giving effect to such pledge of additional assets, to be greater than 1.50 to 1.00, such pledge to be effected no later than five (5) Business Days after Pledgor's receipt of such request, or (B) sell all or a portion of the Pledged Interests in an amount sufficient to generate cash collateral which, when added to the aggregate value (as determined in good faith by Lender) of all other cash, cash equivalents or other investment property then maintained in the Cash Collateral Account, is not less than the Adjusted Aggregate Loan Exposure at such time.

(b) For purposes hereof:

(i) "Adjusted Aggregate Loan Exposure" means, at any time of determination thereof, the amount obtained by discounting the Aggregate Loan Exposure at such time from the Maturity Date to the time of determination thereof in accordance with accepted financial practice and at a discount factor equal to two percent (2.00%) per annum, compounded quarterly; provided, however, that such percentage may be increased by written agreement of Borrower and Lender.

(ii) "Aggregate Loan Exposure" means, at any time of determination thereof, an amount equal to the sum at such time of (A) the Original Principal Amount, plus (B) accrued but unpaid interest under the Note, plus (C) all remaining interest to be paid by Borrower through and including the Maturity Date.

(iii) "Aggregate Value of Lawson Shares" means, at any time of determination thereof, (A) the sum at such time of (I) the Pledged Interests, plus (II) 381,667 shares of the issued and outstanding shares of the common stock of Lawson owned by Borrower and pledged by Borrower pursuant to the terms of the Borrower Pledge Agreement, plus (III) any other shares of common stock of Lawson that Borrower, Pledgor or any other Person may subsequent to the date of this Agreement pledge to Lender as Pledged Collateral to secure the Obligations, multiplied by (B) the arithmetic average of the Weighted Average Price of the shares of Lawson common stock on each of the five (5) consecutive Trading Days immediately preceding the applicable date of determination.

(iv) "Coverage Ratio" means, at any time of determination thereof, the ratio of (A) the Aggregate Value of Lawson Shares plus 1.5 times the value of the Cash Collateral Account, to (B) the Adjusted Aggregate Loan Exposure, in each case at such time.

(v) "Net Proceeds" means the cash proceeds (net of cash taxes paid or payable, and reasonable and customary costs paid to unrelated and unaffiliated third parties in connection with a particular transaction) arising from any sale of the Pledged Interests permitted under Section 6(d) of this Agreement.

(vi) "Principal Market" means the NASDAQ Global Select Market.

(vii) "Trading Day" means any day on which the Lawson common stock (or other security as applicable) is traded on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security); provided, however, that "Trading Day" shall not include any day on which the Lawson common stock (or other security, as applicable) is scheduled to trade, or actually trades, on the Principal Market (or other securities exchange or trading market) for less than 4.5 hours.

(viii) "Weighted Average Price" means, for the Lawson common stock or any other security as of any date, the volume-weighted average price for the Lawson common stock or other security on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security) during the period beginning at 9:30 a.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official close of trading), as reported by Bloomberg through its "Volume at Price" functions, or, if the foregoing does not apply, the volume-weighted average price for the Lawson common stock or other security in the over-the-counter market on the electronic bulletin board for the Lawson common stock or other security during the period beginning at 9:30 a.m., New York City Time (or such

other time as such over-the-counter market publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official close of trading), as reported by Bloomberg, or, if no volume-weighted average price is reported for the Lawson common stock or other security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Lawson common stock or other security as reported in the "pink sheets" by the National Quotation Bureau, Inc. If the Weighted Average Price cannot be calculated for the Lawson common stock or other security on such date on any of the foregoing bases, the Weighted Average Price of the Lawson common stock or other security on such date shall be the fair market value as mutually determined by Pledgor and Lender. If Pledgor and Lender are unable to agree upon the fair market value of the Lawson common stock or other security, then such dispute shall be resolved by an independent, reputable investment banking firm agreed to by Pledgor and Lender, whose determination shall be deemed final and conclusive, absent manifest error. All determinations of Weighted Average Price are to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during any period during which the Weighted Average Price is being determined.

(c) Cash Collateral Account: Any additional assets of Pledgor pledged, and any cash collateral constituting proceeds of Pledged Interests sold, in each case pursuant to Section 6(a) of this Agreement, shall, immediately upon receipt thereof by Lender, be delivered by Lender to the Securities Firm (hereinafter defined) for deposit into a separate designated sub-account (the "Cash Collateral Account") of the Securities Account (hereinafter defined) maintained with the Securities Firm pursuant to the Securities Account Control Agreement (hereinafter defined). Prior to the establishment of the Cash Collateral Account, any such additional assets and cash collateral shall be deposited by Lender into a separate designated account maintained by Lender with a financial institution selected by Lender and reasonably satisfactory to Pledgor.

(d) Sale of the Pledged Interests by Pledgor: Pledgor shall have the right to sell all or any part of the Pledged Interests at any time without the consent of Lender; provided, however, that (i) after giving effect to each such sale, a Coverage Event shall not have occurred and be continuing and (ii) one hundred percent (100%) of the Net Proceeds of each such sale shall be received in immediately available Dollars and deposited promptly upon receipt thereof into the Cash Collateral Account (or, prior to the establishment of the Cash Collateral Account, the separate designated account maintained by Lender pursuant to Section 6(c) of this Agreement).

(e) Payments out of the Cash Collateral Account: At all times that the value of the Cash Collateral Account is greater than the Adjusted Aggregate Loan Exposure, Lender shall allow Pledgor to withdraw such excess from the Cash Collateral Account. This determination shall be made by Lender (i) upon the deposit of any amount into the Cash Collateral Account and (ii) at the end of each calendar year.

(f) Sale of Pledged Interests by Lender: Notwithstanding anything in this Agreement to the contrary, Lender shall have the right to sell all or a portion of the Pledged Interests upon the occurrence of a Triggering Event under Section 9(a) or 9(i) of the Note in an amount sufficient to generate cash collateral sufficient to satisfy Borrower's obligation under the Note with respect to such Triggering Event.

(g) Dissolution of Pledgor: Pledgor and Lender acknowledge that pursuant to the terms of the Partnership Agreement of Pledgor, Pledgor will be dissolved on or about June 11, 2012 (the "Dissolution"). Upon the Dissolution, (i) the Pledged Collateral shall continue to be subject to the terms and conditions of this Agreement and, prior to the consummation of the Dissolution, Pledgor (and its partners) shall have executed and delivered to Lender any and all documents as may be reasonably requested by Lender in order to continue the pledge of the Pledged Collateral as contemplated hereby; and (ii) Pledgor shall distribute the Pledged Collateral, subject to the Partnership Agreement, among the partners as determined by the Managing General Partners of Pledgor; provided that such Pledged Collateral, as distributed shall remain subject to this Pledge Agreement.

7. Remedies.

(a) Upon the occurrence and during the continuance of (i)(A) a Triggering Event under Section 9(a) or 9(i) of the Note or (B) a Coverage Event, in each case prior to the Maturity Date or (ii) any Triggering Event at any time after the Maturity Date, Lender may, subject to subparagraph (c) of this Section 7, exercise in respect of the Pledged Collateral, to the extent permitted by applicable law, all rights and remedies of a secured party under Article 9 of the Uniform Commercial Code of the State of Illinois (the "UCC") in order to cure any such Triggering Event or Coverage Event (as the case may be), whether or not the UCC applies to the affected Pledged Collateral. Lender also, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Pledgor or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may, to the extent permitted under applicable law, forthwith collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral, or any part thereof, in one or more portions at one or more public or private sales or dispositions, at any exchange or broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as Lender may deem advisable and at such prices as it may deem best, for any combination of cash and/or securities or other property or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale, public or private, to purchase the whole or any part of said Pledged Interests so sold, free of any right or equity of redemption in Pledgor, which right or equity is hereby expressly waived and released. Only after so paying over such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need Lender account for the surplus, if any, to Pledgor. Pledgor agrees that Lender need not give more

than ten (10) days' prior written notice of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to Pledgor if it has signed after default a statement renouncing or modifying any right to notification of sale or other intended disposition. Notwithstanding the foregoing or anything to the contrary contained herein, Lender shall not have the right to cause the Loan to be prepaid in whole or in part at any time prior to the Maturity Date.

(b) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after a Triggering Event, Pledgor agrees that after the occurrence of a Triggering Event, Lender may, from time to time, attempt to sell, or cause Pledgor to sell, all or any part of the Pledged Collateral by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If Lender solicits such offers from not less than two (2) such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, that this Section does not impose a requirement that Lender solicit offers from four or more investors in order for the sale to be commercially reasonable.

(c) If at any time the Lender shall be entitled to exercise any right hereunder to sell any Pledged Interests, or, if at any time the Lender shall be entitled to exercise any right hereunder to apply any Pledged Collateral to the payment of any Obligations, and Lender shall be entitled at such time to exercise any right to sell any Pledged Interests or to apply any Pledged Collateral, in each case, pursuant to, and as such terms are defined in the Borrower Pledge Agreement, then Lender shall first sell Pledged Interests of the Borrower, or apply Pledged Collateral of the Borrower, prior to selling any Pledged Interests of the Pledgor or applying any Pledged Collateral of the Pledgor, in each case, pursuant to this Agreement.

8. Duty of Care. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law, including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with Lender's (a) gross negligence or willful misconduct, or (b) failure to use reasonable care with respect to the safe custody of the Pledged Collateral in such Person's possession. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other Persons but may do so at its option. All expenses incurred in connection therewith shall be for the sole account of Pledgor, and shall constitute part of the Obligations secured hereby.

9. No Disposition, Etc. Except as expressly set forth in Section 6 of this Agreement, Pledgor agrees that it will not sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any Pledged Collateral, nor will Pledgor create, incur or permit to exist any Lien on any of the Pledged Collateral, except for the Lien granted to Lender pursuant to this Agreement.

10. Further Assurances. Pledgor agrees that at any time, and from time to time, at the expense of Pledgor, Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Pledgor agrees to take any action as Lender may reasonably request in order to perfect the security interest granted hereunder.

11. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Amendments; etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Successors. This Agreement and all obligations of Pledgor hereunder shall be binding upon the successors and assigns of Pledgor, and shall, together with the rights and remedies of Lender hereunder, inure to the benefit of Lender and its respective successors and assigns, except that Pledgor shall not have any right to assign its rights or obligations under this Agreement or any interest herein without the prior written consent of Lender.

14. Termination. Upon Payment in Full, this Agreement and the Lien granted hereunder shall terminate and Lender shall return the Pledged Interests to Pledgor.

15. Possession of Pledged Collateral. Pledgor shall deliver the Pledged Interests to Lender or to a Person who has agreed in writing to act as Lender's agent for such purposes, and Lender (or such other Person as the case may be) shall take possession of the Pledged Interests, in each case on the Closing Date, and Lender (or such other Person as the case may be) shall thereafter hold the Pledged Interests pursuant to the terms hereof; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein, Lender agrees to deliver the Pledged Interests to a "securities intermediary" (as such term is defined in the UCC) selected by Pledgor (the "Securities Firm") and at the request and expense of Borrower to be deposited into a securities account (the "Securities

Account”) pursuant to a securities account control agreement (the “Securities Account Control Agreement”), in form and substance mutually acceptable to Pledgor and Lender, but in all events sufficient to maintain Lender’s “control” (as such term is defined in the UCC) of the Pledged Interests.

16. Survival of Representations. All representations and warranties of Pledgor contained in this Agreement shall survive the execution and delivery of this Agreement.

17. Lender Appointed Attorney-In-Fact. Pledgor hereby irrevocably appoints Lender as Pledgor’s attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, (a) during the continuation of a Triggering Event under Section 9(a) or 9(i) of the Note or (b) in the event of a Coverage Event prior to the Maturity Date or any Triggering Event at any time after the Maturity Date, in Lender’s discretion, to take any action and to execute and deliver any instrument that Lender deems reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to Pledgor representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same and to arrange for the transfer of all or any part of the Pledged Collateral on the books of the issuer to the name of Lender or Lender’s nominee.

18. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other party any other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given (and deemed to have been given) in the manner and to the respective addresses set forth for notices to the Borrower in Section 11 of the Note. Failure or delay in delivering copies of any such notice, demand, request, consent, approval, declaration or other communication to any Persons designated in the Credit Agreement to receive copies shall in no way adversely affect the effectiveness of such notice or other communication.

19. GOVERNING LAW. THE RIGHTS AND DUTIES OF PLEDGOR AND LENDER UNDER THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

20. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

21. Entire Agreement. This Agreement and the other Credit Documents constitute the entire agreement between Pledgor and Lender (in their respective capacities as such) and supersede any prior agreements between them.

22. Nonliability of Lender. The relationship between Pledgor and Lender shall be solely that of pledgor and lender. Lender shall have no fiduciary responsibilities to Pledgor. Lender undertakes no responsibility to Pledgor to review or inform Pledgor of any matter in connection with any phase of Pledgor's business or operations.

23. Counterparts. This Agreement may be executed in any number of counterpart, each of which shall be an original, but all of which shall together constitute one and the same agreement. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this Agreement.

24. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

25. Rights Cumulative. Each of the rights and remedies of Lender under this Agreement and the other Credit Documents shall be in addition to all of its other rights and remedies under this Agreement and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

26. Additional Agreements.

(a) The Pledgor hereby (a) agrees (i) to any modification of any term or condition of the Loan and/or to any extension or renewal of time of payment or performance by the Lender; and (ii) that no release of any other guarantor or any other person liable for payment of all or any portion of the Loan, whether by operation of law or by any act of the Lender, with or without notice to Pledgor, shall release Pledgor; (b) waives notice of any election, acceptance, demand, protest, notice of protest and notice of default, presentment for payment, diligence in collection, and to the extent permitted by law, all benefit of valuation, appraisal and all exemptions under the laws of the State of Illinois and/or any other state or territory of the United States; and (c) agrees, if the Loan is not paid in accordance with the terms hereof, to pay in addition to all other sums of money due, all costs of collection including costs of litigation and (whether or not suit is brought) the Lender's reasonable attorneys' fees and disbursements.

(b) The Pledgor's liability hereunder shall in no way be affected or impaired by any of the following (any or all of which may be done or omitted by the Lender without notice to anyone and irrespective of whether the Loan shall be increased or decreased thereby), namely: (a) any acceptance by the Lender of any security or collateral for the Loan; (b) any compromise, settlement, surrender, release, discharge, renewal, extension, alienation, exchange, sale, pledge or other disposition of, or substitution for, or

indulgence with respect to, or failure, neglect or omission to realize upon, or to enforce, exercise or perfect any lien or right of appropriation or other right with respect to the Loan or any security or collateral therefor, or any claim against any person or persons, primarily or secondarily liable thereon; (c) the granting of credit from time to time by the Lender to the Borrower in excess of the amount to which the right of recovery under this Pledge Agreement may be limited; or (d) any act of commission or omission of any kind or at any time upon the part of the Lender with respect to any matter whatsoever, and any and all other suretyship, guarantor or similar defenses under applicable law (other than (i) the Lender's gross negligence or willful misconduct and (ii) the execution and delivery by the Lender to the Pledgor of an express written release or cancellation of this Pledge Agreement). Subject to Section 7(c), the Lender shall have the right to determine how, when and what application of payments and credit, if any, whether derived from the Borrower or any other source, shall be made on the Loan, and this Pledge Agreement shall apply to secure any ultimate balance that shall remain owing to the Lender.

(c) Pledgor shall not exercise any rights that Pledgor may now have or hereafter acquire against Borrower or that arise from the existence, payment, performance or enforcement of Pledgor's obligations hereunder, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Lender against Borrower or any other guarantor or any collateral for the Loan, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from Borrower or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until the Loan and all other amounts payable hereunder shall have been indefeasibly paid in full in cash and the Note and the Loan and all of the agreements ancillary thereto shall have terminated pursuant to the respective terms and provisions thereof.

(d) This Pledge Agreement shall continue in force in any event until all of the Obligations and all other amounts payable hereunder shall have been indefeasibly paid in full in cash and the Note and the other Credit Documents shall have terminated pursuant to the respective terms and provisions thereof.

[Remainder of Page Intentionally Left Blank]

- Signature Page Follows -

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized trustees on the date first above written.

PLEDGOR

PORT INVESTMENTS, L.P.

By: /s/ Ronald B. Port

Name: Ronald B. Port, its co-managing general partner

By: /s/ Roberta P. Washlow

Name: Roberta P. Washlow, its co-managing general partner

LENDER

SLP 2003 TRUST A

By: /s/ H. George Mann

H. George Mann, as Trustee of the SLP 2003 Trust A

SECURED PROMISSORY NOTE

\$3,875,000.00

March 11, 2008

FOR VALUE RECEIVED, RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated ("Borrower"), unconditionally promise to pay to the order of H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust B, created March 6, 2008 ("Lender"), the principal sum of THREE MILLION EIGHT HUNDRED SEVENTY-FIVE THOUSAND AND 00/100 DOLLARS (\$3,875,000.00), together with interest thereon, in each case as set forth below, at the following address: 1186 Linden Avenue, Highland Park, Illinois 60035, or at such other place as the legal holder of this instrument may designate in writing from time to time.

1. General Definitions.

As used herein, the following terms have the meanings herein specified:

"Borrower Pledge Agreement" means that certain Pledge Agreement of even date herewith, executed by Borrower in favor of Lender, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

"Business Day" means any day other than a Saturday, Sunday or legal holiday on which commercial banks in Chicago, Illinois, are generally closed.

"Collateral" means any and all assets and rights and interests in or to property of Borrower and any other Person, whether real or personal, tangible or intangible or mixed, in each case on which a Lien is granted or purported to be granted to Lender pursuant to any of the Collateral Documents.

"Collateral Documents" means the Pledge Agreements and all other agreements, documents and instruments now or hereafter executed and delivered in connection with this Note, pursuant to which Liens are granted or are purported to be granted to Lender to secure all or any part of the Obligations.

"Credit Documents" means, collectively, this Note, the Guaranty, the Collateral Documents and all other agreements, documents, instruments and certificates, now or hereafter executed and delivered by and between Borrower and Lender in connection herewith or therewith, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

"Dollars" and the sign "\$" each mean freely transferable lawful money of the United States of America.

"Expenses" means all present and future expenses incurred by or on behalf of Lender in connection with this Note, any other Credit Document or otherwise, whether incurred heretofore or hereafter, which expenses shall include, without being

limited to, the reasonable fees and expenses of counsel for Lender and of any accountants or other experts and agents that Lender may incur in connection with (a) the documentation and administration of this Note and the other Credit Documents (including, without limitation, any fairness opinion delivered in connection with the Loan), (b) custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, including, without limitation, the Pledged Collateral, (d) the exercise or enforcement of any of the rights of Lender hereunder or under any of the other Credit Documents, or (e) the failure of Borrower to perform or observe any of the provisions hereof or of any of the other Credit Documents.

“Guarantor” means Ronald B. Port, an individual.

“Guaranty” means that certain Personal Guaranty of even date herewith, executed by Guarantor in favor of Lender, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Lien(s)” means (a) any lien, claim, charge, pledge, security interest, deed of trust, mortgage, other encumbrance or other arrangement having the practical effect of the foregoing or other preferential arrangement of any other kind and shall include the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement and (b) in addition, in the case of any investment property, any contract or other arrangement, express or implied, under which any Person has the right to control such investment property; provided however, that a “Lien” shall not include certain restrictions on dispositions by laws affecting the offering and sale of securities generally.

“Loan” means the loan in the original principal amount of \$3,875,000.00 made by Lender to Borrower and evidenced by this Note.

“Material Adverse Effect” means a material adverse effect on (a) the value of Collateral or the amount which Lender would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation of such Collateral, (b) the ability of Borrower to perform its obligations under the Credit Documents to which it is a party or (c) the rights and remedies of Lender under any Credit Document.

“Note” means this Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof.

“Obligations” means (a) the unpaid principal of and interest on the loan evidenced by this Note, (b) the Expenses, and (c) all other liabilities of Borrower to Lender which may arise under, out of, or in connection with, this Note, any other Credit Document or any other agreement, document or instrument made, delivered or given in connection herewith or therewith by and between Borrower and Lender.

“Patriot Act” means the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56, as amended.

“Payment in Full” or “Paid in Full” means the indefeasible payment in full in immediately available Dollars of all Obligations (including interest accrued after the commencement of any Insolvency Proceeding irrespective of whether a claim for such interest is allowable in such Insolvency Proceeding) and the termination of any obligation of Lender to advance funds or otherwise make extensions of credit hereunder or under any of the other Credit Documents.

“Person” mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity, party or government (including any division, agency or department thereof), and, as applicable, the successors, heirs and assigns of each.

“PI Pledge Agreement” means that certain Pledge Agreement by Port Investments, L.P. in favor of the Lender, dated of even date herewith, pursuant to which Port Investments, L.P. has agreed to provide additional Collateral to secure the Loan.

“Pledge Agreements” means the Borrower Pledge Agreement and the PI Pledge Agreement, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Triggering Event” has the meaning ascribed to that term in Section 9 of this Note.

2. Interest Rate; Maturity. From the date of advance and thereafter until repayment, interest shall accrue on the unpaid Obligations, including, without limitation, the principal balance hereof at a fixed per annum rate of eight percent (8.00%), compounded quarterly in arrears. Interest due hereunder shall be computed on the basis of a year of three hundred sixty (360) days for the actual number of days (including the first day but excluding the last day) elapsed. Except for the quarterly interest payments required pursuant to Section 3 of this Note, all then outstanding principal and accrued but unpaid interest hereunder, and all other amounts due and payable by Borrower to Lender pursuant to the terms hereof, in each case shall be immediately due and payable on March 11, 2022 (the “Maturity Date”), without the necessity of any notice or demand.

3. Payments. Interest shall be payable hereunder quarterly in arrears on the 20th day of each April, July, October and January, commencing on July 20, 2008 in an amount equal to (i) in the case of such payment due and payable on July 20, 2008, Forty-seven Thousand Seven Hundred Sixty and 00/100 Dollars (\$47,760.00), and (ii) in the case of all other such payments, Forty-three Thousand Seven Hundred Fifty and 00/100 Dollars (\$43,750.00). Payment of the balance of the interest accruing hereunder shall be deferred, compounded quarterly and payable on the Maturity Date without the necessity of any notice or demand. The entire principal balance of the Loan and all accrued and unpaid interest thereon, and all other sums payable by Borrower in connection with the Loan

shall be due and payable in full on the Maturity Date. Each determination by Lender of an interest rate or payment hereunder shall be conclusive and binding for all purposes, absent manifest error. If any payment under this Note becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day.

4. No Prepayment. The Note may not be prepaid in whole or in part at any time prior to the Maturity Date.

5. Collateral. This Note is secured by the Collateral Documents. Reference is made to the Collateral Documents for the terms and conditions governing the Collateral which secures the Obligations.

6. Representations and Warranties. To induce Lender to make the Loan, Borrower hereby represents and warrants to Lender that:

(a) Ownership of Collateral. Borrower owns all of the Collateral free and clear of all Liens other than the Liens in favor of Lender and Liens in favor of taxing authorities with respect to the payment of federal and state transfer taxes.

(b) No Conflict. The execution and delivery of, and performance by Borrower under, this Note and each of the other Credit Documents to which it is a party: (a) are within its trust powers; (b) are duly authorized by all necessary trust or trustee action; (c) are not in contravention of any applicable requirement of law or any indenture, contract, lease, agreement, instrument or other commitment to which it is a party or by which it or any of its properties are bound; (d) do not require the consent, registration or approval of any governmental authority or any other Person (except such as have been (or will be in the case of Uniform Commercial Code filings) duly obtained, made or given, and are in full force and effect); and (e) will not, except as contemplated herein, result in the imposition of any Liens upon any of the Collateral.

(c) Enforceability. This Note and all of the other Credit Documents to which Borrower is a party are the legal, valid and binding obligations of Borrower and are enforceable against Borrower in accordance with their terms, except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity.

(d) Consents. No consent or authorization of, filing with or other act by or in respect of, any governmental authority or any other Person is required in connection with the making of the Loan or with the execution, delivery, performance, validity or enforceability of this Note or the other Credit Documents, except for consents or authorizations that have been obtained or filings that have been (or will be in the case of Uniform Commercial Code filings) made and which, in each case, are in full force and effect.

(e) No Judgments or Litigation. No judgments, orders, writs or decrees are outstanding against Borrower nor is there now pending or, to the best of Borrower's knowledge, threatened any litigation, contested claim, investigation, arbitration, or governmental proceeding by or against Borrower except for any such judgment, order, writ, decree, litigation, contested claim, investigation, arbitration or governmental proceeding that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect.

(f) No Defaults. Borrower is not in default under any term of any indenture, contract, lease, agreement, instrument or other commitment to which Borrower is a party or by which Borrower is bound except for any such default that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect. Borrower knows of no material dispute regarding any such indenture, contract, lease, agreement, instrument or other commitment except for any such dispute that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect.

(g) Compliance with Law. Borrower is not in violation in any material respect with any applicable requirement of law or any requirement of any self-regulatory organization.

(h) Investment Company, Etc. Borrower is not subject to any law which purports to regulate or restrict its ability to borrow money or to consummate the transactions contemplated by this Note or the other Credit Documents or to perform its obligations hereunder or thereunder.

All representations and warranties of Borrower contained in this Note shall survive the execution and delivery of this Note.

7. Affirmative Covenants. Until Payment in Full, Borrower agrees that:

(a) Existence. Borrower shall maintain its trust existence.

(b) Further Assurances. Borrower shall take all such further actions and execute all such further documents and instruments as Lender may at any time reasonably determine to be necessary to further carry out and consummate the transactions contemplated by the Credit Documents.

8. Negative Covenants. Until Payment in Full, Borrower agrees that:

(a) No Liens. Borrower shall not directly or indirectly, mortgage, assign, pledge, transfer, create, incur, assume, suffer to exist or otherwise permit any Lien to exist on any of the Collateral other than the Liens in favor of Lender and Liens in favor of taxing authorities with respect to the payment of federal and state transfer taxes.

(b) No Sale of Collateral. Except as otherwise expressly permitted pursuant to the respective Pledge Agreements, Borrower shall not directly or indirectly, sell, lease, assign, transfer or otherwise dispose of any Collateral.

9. **Triggering Events.** The occurrence of any of the following events shall constitute a “Triggering Event” hereunder (whatever the reason for such event and whether it shall be voluntary or involuntary, or within or without the control of Borrower or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body):

(a) Borrower fails to make (i) the payment of principal and interest due and payable on the Maturity Date pursuant to the terms hereof, (ii) any quarterly interest payment required by Section 3 of this Note, or (iii) payment of any other amount due and payable under this Note or any of the other Credit Documents, and in the case of clauses (ii) and (iii) only, such failure continues for five (5) Business Days; or

(b) any representation or warranty made by Borrower under this Note or under any other Credit Document shall prove to have been incorrect or misleading in any material respect when made, except to the extent that such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall prove to have been incorrect or misleading in any material respect on or as of such earlier date); or

(c) Borrower fails to perform, comply with or observe any term, covenant or agreement applicable to it contained in Section 8 of this Note; or

(d) Borrower fails to comply with any covenant contained in this Note (other than under a provision covered by the foregoing clauses (a), (b) and (c) of this Section 9) or any of the other Credit Documents, which failure to comply is not cured thirty (30) calendar days after the earlier of the date that Borrower (i) receives notice from Lender of such failure or (ii) has actual knowledge of such failure; or

(e) dissolution, liquidation or winding up of Borrower, or the failure of Borrower to meet its debts as they mature, or the calling of one or more meetings of the major creditors of Borrower for purposes of obtaining a moratorium on payment or a compromise of such Borrower’s debts; or

(f) the commencement by or against Borrower of any bankruptcy, insolvency, arrangement, reorganization, receivership or similar proceedings under any federal or state law and, in the event any such proceeding is commenced against Borrower, such proceeding is not dismissed within sixty (60) calendar days; or

(g) any covenant, agreement or obligation of any Person contained in or evidenced by any of the Credit Documents shall cease to be enforceable in accordance with its terms, or any party (other than Lender) to any Credit Document shall deny or disaffirm its obligations under any of the Credit Documents, or any Credit Document shall be cancelled, terminated, revoked or rescinded without the express prior written consent of Lender, or any court or other Governmental Authority shall issue a judgment, order, decree or ruling to the effect that any of the obligations of any party to any Credit Document are illegal, invalid or unenforceable; or

(h) except as otherwise expressly permitted herein or in any of the other Credit Documents, Lender does not have or ceases to have a valid and perfected first priority security interest in the Collateral or any substantial portion thereof; or

(i) the occurrence of a "Coverage Event" (as such term is defined in the Borrower Pledge Agreement).

Upon the occurrence of a Triggering Event, Lender may exercise any remedy available to Lender pursuant to the Collateral Documents and any of the other Credit Documents.

10. Reimbursement of Expenses. Borrower shall reimburse Lender for all Expenses as the same are incurred by Lender upon Lender's demand therefor.

11. Notices. All notices and other communications provided for hereunder shall be in writing and shall be mailed, facsimiled or delivered, if to Borrower, at the following address:

The Sidney L. Port Trust Dated July 22, 1970
Roberta P. Washlow, Co-Trustee
[DELETED]

The Sidney L. Port Trust Dated July 22, 1970
Ronald B. Port, Co-Trustee
[DELETED]

The Sidney L. Port Trust Dated July 22, 1970
H. George Mann, Co-Trustee
1186 Linden Avenue
Highland Park, Illinois 60035
Facsimile: [DELETED]

with a copy to:

MCDERMOTT WILL & EMERY LLP
227 West Monroe Street, Suite 4400
Chicago, Illinois 60606-5096
Attention: James Cundiff
Facsimile: (312) 984-7700

with a copy to:

MAYER BROWN LLP
71 S. Wacker Drive
Chicago, Illinois 60606
Attention: James A. Casey
Facsimile: (312) 701-7711

and, if to Lender, to it at the following address:

SLP 2003 Trust B, created March 5, 2008
H. George Mann, Trustee
1186 Linden Avenue
Highland Park, Illinois 60035
Facsimile: [DELETED]

with a copy to:

SLP 2003 Trust B, created March 5, 2008
Ronald B. Port, Beneficiary
[DELETED]

with a copy to:

KATTEN MUCHIN ROSENMAN LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: Michael O. Hartz, Esq.
Facsimile: (312) 577-8789

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section 11. All such notices and other communications shall be effective, (a) if mailed, when received or three days after deposited in the mails, whichever occurs first, (b) if facsimiled, on the date of transmission if transmitted before 4:00 p.m. (Chicago time), otherwise on the next Business Day, (c) if delivered by personal delivery, upon delivery, or (d) if delivered by overnight courier, one (1) Business Day after delivery to the courier (specifying one (1) Business Days' delivery), in each case, properly addressed.

12. SUBMISSION TO JURISDICTION; WAIVERS. BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS NOTE AND THE OTHER CREDIT DOCUMENTS TO WHICH IT IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NONEXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE NORTHERN DISTRICT OF ILLINOIS, IN EACH CASE LOCATED IN CHICAGO, ILLINOIS, AND APPELLATE COURTS FROM ANY THEREOF;

(b) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER, OR ITS PROPERTY IN THE COURTS OF OTHER JURISDICTIONS; AND

(d) WAIVES DUE DILIGENCE, DEMAND, PRESENTMENT AND PROTEST AND ANY NOTICES THEREOF AS WELL AS NOTICE OF NONPAYMENT.

13. JURY TRIAL. BORROWER AND LENDER EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF THIS NOTE, THE OTHER CREDIT DOCUMENTS OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO.

14. GOVERNING LAW. THE RIGHTS AND DUTIES OF BORROWER AND LENDER UNDER THIS NOTE (INCLUDING MATTERS RELATING TO THE MAXIMUM PERMISSIBLE RATE) AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

15. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event, shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

16. Indemnification. Borrower shall and hereby agrees to indemnify, defend and hold harmless Lender and its respective trustees, agents, employees, counsel, advisors and affiliates from and against any and all losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred by any of them (except to the extent that it is finally judicially determined to have resulted from their own gross negligence or willful misconduct) arising out of or by reason of any litigations, investigations, claims or proceedings which arise out of or are in any way related to (i) this Note or the transactions contemplated hereby by and between Lender, Borrower and/or Guarantor, (ii) any actual or proposed use by Borrower of the proceeds of the Loan; or (iii) Lender's entering into this Note, the other Credit Documents or any other agreements, documents and instruments by and between Lender, Borrower and/or Guarantor relating hereto or thereto. If and to the extent that the Obligations of Borrower hereunder are unenforceable for any reason, Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such Obligations which is permissible under applicable law. Borrower's obligations hereunder shall survive any termination of this Note and the other Credit Documents and Payment in Full.

17. Entire Agreement. This Note and the other Credit Documents constitute the entire agreement between Borrower and Lender (in their respective capacities as such) and supersede any prior agreements between them.

18. Nonliability of Lender. The relationship between Borrower and Lender shall be solely that of borrower and lender. Lender, in its capacity as Lender, shall have no fiduciary responsibilities to Borrower. Lender undertakes no responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations.

19. Amendments, Etc. No amendment or waiver of any provision of this Note or any other Credit Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by Lender (and, in the case of amendments, Borrower), and each such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

20. Counterparts. Delivery of an executed copy of this Note by facsimile or email transmission shall be equally as effective as delivery of an original copy of this Note.

21. Severability. In case any provision in or obligation under this Note or the other Credit Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

22. Headings Descriptive. The headings of the several sections and subsections of this Note, are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Note.

23. Rights Cumulative. Each of the rights and remedies of Lender under this Note and the other Credit Documents shall be in addition to all of its other rights and remedies under this Note and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

24. Patriot Act. Lender, to the extent Lender is subject to the Patriot Act, hereby notifies Borrower that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Patriot Act.

[Remainder of Page Intentionally Left]

-Signature Page Follows-

BORROWER

**THE SIDNEY L. PORT TRUST DATED
JULY 22, 1970**

By: /s/ Ronald B. Port
Ronald B. Port, as Co-Trustee of The Sidney L.
Port Trust Dated July 22, 1970

By: /s/ Roberta P. Washlow
Roberta P. Washlow, as Co-Trustee of The
Sidney L. Port Trust Dated July 22, 1970

[Signature Page to Loan B Secured Promissory Note]

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this "Agreement") is dated as of March 11, 2008, and entered into by and between RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970, as restated ("Borrower"), and H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust B, created March 6, 2008 ("Lender").

RECITALS:

WHEREAS, pursuant to that certain Secured Promissory Note in the original principal amount of Three Million Eight Hundred Seventy-Five Thousand and 00/100 Dollars (\$3,875,000.00) (the "Original Principal Amount") of even date herewith, issued by Borrower to Lender (such Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof, the "Note"), Lender has agreed to make a loan (the "Loan") to Borrower in the Original Principal Amount; and

WHEREAS, Borrower owns 381,667 shares (the "Pledged Interests") of the issued and outstanding common stock of Lawson Products, Inc., a Delaware corporation ("Lawson") and, in order to further secure the prompt and complete payment, performance and observance of all "Obligations" (as such term is defined in the Note), Borrower has agreed to pledge the Pledged Collateral (as such term is defined below) to Lender;

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to make the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees with Lender as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Note.

2. Pledge. Borrower hereby pledges, hypothecates, assigns, transfers and delivers unto Lender, and hereby grants to Lender a Lien on, the following property and interests in property of Borrower (collectively, the "Pledged Collateral"):

(a) the Pledged Interests, and all cash, securities, interest, dividends, distributions, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Interests;

(b) all other property hereafter delivered to Borrower in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such property and all cash, securities, interest, dividends, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(c) (i) the Cash Collateral Account (as such term is defined below), (ii) all general intangibles, claims and privileges of any kind in respect of the Cash Collateral Account, (iii) all funds, items, instruments, investment property, financial assets, securities and other things of value of any kind of or for the account of Borrower at any time paid to, deposited with, credited or held by or withdrawable from or in transit to the Cash Collateral Account, and all other property of Borrower from time to time in the possession or under the control of, or in transit to, the Securities Firm (as such term is defined below), in its capacity as such, or any agent, bailee or custodian therefor; and

(d) all proceeds of any of the foregoing.

Borrower agrees to execute and deliver to Lender promptly upon receipt of Lender's request therefor: (i) assignments separate from certificate in form and substance reasonably satisfactory to Lender, undated and appropriately endorsed in blank, with respect to the Pledged Interests and (ii) such other documents of transfer as Lender may from time to time reasonably request to enable Lender to transfer, after the occurrence and during the continuance of a Triggering Event, the Pledged Collateral into Lender's name or the name of Lender's nominee (all of the foregoing are hereinafter collectively referred to as the "Powers").

3. Security for Obligations. The Pledged Collateral secures the prompt and complete payment, performance and observance of all Obligations, including, without limitation, all obligations and liabilities of Borrower hereunder.

4. Representations and Warranties of Borrower. Borrower represents and warrants to Lender that:

(a) No part of the Pledged Collateral is subject to any previous assignment and, except for the interest granted to Lender pursuant to this Agreement, Borrower owns (and will keep) the Pledged Collateral free and clear of all Liens.

(b) Borrower owns and has good and marketable title to the Pledged Interests as of the date hereof.

(c) The pledge of the Pledged Interests pursuant to this Agreement creates a valid and continuing perfected first priority Lien on the Pledged Collateral, in favor of Lender, securing the prompt and complete payment, performance and observance of the Obligations.

(d) Each of the Powers is duly executed and delivered and gives Lender the authority it purports to confer.

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or Person is required either for (i) the pledge by Borrower of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Borrower or (ii) for the exercise by Lender of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

5. Voting Rights; Dividends; Etc.

(a) Borrower shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Interests or any part thereof for any purpose not inconsistent with the terms of this Agreement.

(b) So long as no Triggering Event shall have occurred and be continuing under Section 9(a) or 9(i) of the Note, Borrower shall be entitled to receive and retain any and all dividends and distributions paid in respect of the Pledged Interests (but shall in no event be entitled at any time to receive or retain any dividends, distributions or interest paid in respect of any other Pledged Collateral), provided that any such dividends and distributions paid in respect of the Pledged Interests shall first be used to make the quarterly interest payments required by Section 3 of the Note; provided, further, however, that any and all:

(1) dividends, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(2) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(3) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral, shall be Pledged Collateral and shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Borrower, be received in trust for the benefit of Lender, be segregated from the other property or funds of Borrower and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) Upon the occurrence and during all times that the Coverage Ratio is equal to or less than 1.50 to 1.00 (a "Coverage Event"):

(i) All rights of Borrower to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 5(b) of this Agreement shall cease, and, all such rights shall thereupon become vested in Lender who, together with any assignee or designee of all or any portion of its rights hereunder, shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments.

(ii) All dividends, distributions and interest payments which are received by Borrower contrary to the provisions of paragraph (i) of this Section 5(c) shall be segregated from other funds of Borrower and shall be immediately paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

6. Additional Covenants.

(a) Coverage Ratio: Notwithstanding anything to the contrary in this Agreement, upon a Coverage Event, Lender shall have the option, exercised in Lender's sole and absolute discretion, to (A) request the pledge by Borrower, which request Borrower may refuse, in favor of Lender of additional assets as Pledged Collateral (whether in the form of a pledge of additional shares of Lawson common stock or a pledge of other assets satisfactory to Lender) with an aggregate value (as determined in good faith by Lender) at least sufficient to cause the Coverage Ratio, after giving effect to such pledge of additional assets, to be greater than 1.50 to 1.00, such pledge to be effected no later than five (5) Business Days after Borrower's receipt of such request, or (B) sell all or a portion of the Pledged Interests in an amount sufficient to generate cash collateral which, when added to the aggregate value (as determined in good faith by Lender) of all other cash, cash equivalents or other investment property then maintained in the Cash Collateral Account, is not less than the Adjusted Aggregate Loan Exposure at such time.

(b) For purposes hereof:

(i) "Adjusted Aggregate Loan Exposure" means, at any time of determination thereof, the amount obtained by discounting the Aggregate Loan Exposure at such time from the Maturity Date to the time of determination thereof in accordance with accepted financial practice and at a discount factor equal to two percent (2.00%) per annum, compounded quarterly; provided, however, that such percentage may be increased by written agreement of Borrower and Lender.

(ii) "Aggregate Loan Exposure" means, at any time of determination thereof, an amount equal to the sum at such time of (A) the Original Principal Amount, plus (B) accrued but unpaid interest under the Note, plus (C) all remaining interest to be paid by Borrower through and including the Maturity Date.

(iii) "Aggregate Value of Lawson Shares" means, at any time of determination thereof, (A) the sum at such time of (I) the Pledged Interests, plus (II) 400,000 of the issued and outstanding shares of the common stock of Lawson owned by Port Investments, L.P. ("PI") and pledged by PI in favor of Lender pursuant to the terms of that certain Pledge Agreement of even date herewith between PI and Lender, plus (III) any other shares of common stock of Lawson that Borrower, PI or any other Person may subsequent to the date of this Agreement pledge to Lender as Pledged Collateral to secure the Obligations, multiplied by (B) the arithmetic average of the Weighted Average Price of the shares of Lawson common stock on each of the five (5) consecutive Trading Days immediately preceding the applicable date of determination.

(iv) "Coverage Ratio" means, at any time of determination thereof, the ratio of (A) the Aggregate Value of Lawson Shares plus 1.5 times the value of the Cash Collateral Account, to (B) the Adjusted Aggregate Loan Exposure, in each case at such time.

(v) "Net Proceeds" means the cash proceeds (net of cash taxes paid or payable, and reasonable and customary costs paid to unrelated and unaffiliated third parties in connection with a particular transaction) arising from any sale of the Pledged Interests permitted under Section 6(d) of this Agreement.

(vi) "Principal Market" means the NASDAQ Global Select Market.

(vii) "Trading Day" means any day on which the Lawson common stock (or other security as applicable) is traded on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security); provided, however, that "Trading Day" shall not include any day on which the Lawson common stock (or other security, as applicable) is scheduled to trade, or actually trades, on the Principal Market (or other securities exchange or trading market) for less than 4.5 hours.

(viii) "Weighted Average Price" means, for the Lawson common stock or any other security as of any date, the volume-weighted average price for the Lawson common stock or other security on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security) during the period beginning at 9:30 a.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official close of trading), as reported by Bloomberg through its "Volume at Price" functions, or, if the foregoing does not apply, the volume-weighted average price for the Lawson common stock or other security in the over-the-counter market on the electronic bulletin board for the Lawson common stock or other security during the period beginning at 9:30

a.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official close of trading), as reported by Bloomberg, or, if no volume-weighted average price is reported for the Lawson common stock or other security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Lawson common stock or other security as reported in the “pink sheets” by the National Quotation Bureau, Inc. If the Weighted Average Price cannot be calculated for the Lawson common stock or other security on such date on any of the foregoing bases, the Weighted Average Price of the Lawson common stock or other security on such date shall be the fair market value as mutually determined by Borrower and Lender. If Borrower and Lender are unable to agree upon the fair market value of the Lawson common stock or other security, then such dispute shall be resolved by an independent, reputable investment banking firm agreed to by Borrower and Lender, whose determination shall be deemed final and conclusive, absent manifest error. All determinations of Weighted Average Price are to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during any period during which the Weighted Average Price is being determined.

(c) Cash Collateral Account: Any additional assets of Borrower pledged, and any cash collateral constituting proceeds of Pledged Interests sold, in each case pursuant to Section 6(a) of this Agreement, shall, immediately upon receipt thereof by Lender, be delivered by Lender to the Securities Firm (hereinafter defined) for deposit into a separate designated sub-account (the “Cash Collateral Account”) of the Securities Account (hereinafter defined) maintained with the Securities Firm pursuant to the Securities Account Control Agreement (hereinafter defined). Prior to the establishment of the Cash Collateral Account, any such additional assets and cash collateral shall be deposited by Lender into a separate designated account maintained by Lender with a financial institution selected by Lender and reasonably satisfactory to Borrower.

(d) Sale of the Pledged Interests by Borrower: Borrower shall have the right to sell all or any part of the Pledged Interests at any time without the consent of Lender; provided, however, that (i) after giving effect to each such sale, a Coverage Event shall not have occurred and be continuing and (ii) one hundred percent (100%) of the Net Proceeds of each such sale shall be received in immediately available Dollars and deposited promptly upon receipt thereof into the Cash Collateral Account (or, prior to the establishment of the Cash Collateral Account, the separate designated account maintained by Lender pursuant to Section 6(c) of this Agreement).

(e) Payments out of the Cash Collateral Account: At all times that the value of the Cash Collateral Account is greater than the Adjusted Aggregate Loan Exposure, Lender shall allow Borrower to withdraw such excess from the Cash Collateral Account. This determination shall be made by Lender (i) upon the deposit of any amount into the Cash Collateral Account and (ii) at the end of each calendar year.

(f) Sale of Pledged Interests by Lender: Notwithstanding anything in this Agreement to the contrary, Lender shall have the right to sell all or a portion of the Pledged Interests upon the occurrence of a Triggering Event under Section 9(a) or 9(i) of the Note in an amount sufficient to generate cash collateral sufficient to satisfy Borrower's obligation under the Note with respect to such Triggering Event.

7. Remedies.

(a) Upon the occurrence and during the continuance of (i)(A) a Triggering Event under Section 9(a) or 9(i) of the Note or (B) a Coverage Event, in each case prior to the Maturity Date or (ii) any Triggering Event at any time after the Maturity Date, Lender may exercise in respect of the Pledged Collateral, to the extent permitted by applicable law, all rights and remedies of a secured party under Article 9 of the Uniform Commercial Code of the State of Illinois (the "UCC") in order to cure any such Triggering Event or Coverage Event (as the case may be), whether or not the UCC applies to the affected Pledged Collateral. Lender also, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Borrower or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may, to the extent permitted under applicable law, forthwith collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral, or any part thereof, in one or more portions at one or more public or private sales or dispositions, at any exchange or broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as Lender may deem advisable and at such prices as it may deem best, for any combination of cash and/or securities or other property or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale, public or private, to purchase the whole or any part of said Pledged Interests so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby expressly waived and released. Only after so paying over such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need Lender account for the surplus, if any, to Borrower. Borrower agrees that Lender need not give more than ten (10) days' prior written notice of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to Borrower if it has signed after default a statement renouncing or modifying any right to notification of sale or other intended disposition. Notwithstanding the foregoing or anything to the contrary contained herein, Lender shall not have the right to cause the Loan to be prepaid in whole or in part at any time prior to the Maturity Date.

(b) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after a Triggering Event, Borrower agrees that after the occurrence of a Triggering Event, Lender may, from time to time, attempt to sell, or cause Borrower to sell, all or any part of the Pledged Collateral by means of a

private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If Lender solicits such offers from not less than two (2) such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, that this Section does not impose a requirement that Lender solicit offers from four or more investors in order for the sale to be commercially reasonable.

8. Duty of Care. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law, including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with Lender's (a) gross negligence or willful misconduct, or (b) failure to use reasonable care with respect to the safe custody of the Pledged Collateral in such Person's possession. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other Persons but may do so at its option. All expenses incurred in connection therewith shall be for the sole account of Borrower, and shall constitute part of the Obligations secured hereby.

9. No Disposition, Etc. Except as expressly set forth in Section 6 of this Agreement, Borrower agrees that it will not sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any Pledged Collateral, nor will Borrower create, incur or permit to exist any Lien on any of the Pledged Collateral, except for the Lien granted to Lender pursuant to this Agreement.

10. Further Assurances. Borrower agrees that at any time, and from time to time, at the expense of Borrower, Borrower will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Borrower agrees to take any action as Lender may reasonably request in order to perfect the security interest granted hereunder.

11. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Amendments; etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Borrower herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Successors. This Agreement and all obligations of Borrower hereunder shall be binding upon the successors and assigns of Borrower, and shall, together with the rights and remedies of Lender hereunder, inure to the benefit of Lender and its respective successors and assigns, except that Borrower shall not have any right to assign its rights or obligations under this Agreement or any interest herein without the prior written consent of Lender.

14. Termination. Upon Payment in Full, this Agreement and the Lien granted hereunder shall terminate and Lender shall return the Pledged Interests to Borrower.

15. Possession of Pledged Collateral. Borrower shall deliver the Pledged Interests to Lender or to a Person who has agreed in writing to act as Lender's agent for such purposes, and Lender (or such other Person as the case may be) shall take possession of the Pledged Interests, in each case on the Closing Date, and Lender (or such other Person as the case may be) shall thereafter hold the Pledged Interests pursuant to the terms hereof; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein, Lender agrees to deliver the Pledged Interests to a "securities intermediary" (as such term is defined in the UCC) selected by Borrower (the "Securities Firm") and at the request and expense of Borrower to be deposited into a securities account (the "Securities Account") pursuant to a securities account control agreement (the "Securities Account Control Agreement"), in form and substance mutually acceptable to Borrower and Lender, but in all events sufficient to maintain Lender's "control" (as such term is defined in the UCC) of the Pledged Interests.

16. Survival of Representations. All representations and warranties of Borrower contained in this Agreement shall survive the execution and delivery of this Agreement.

17. Lender Appointed Attorney-In-Fact. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise, (a) during the continuation of a Triggering Event under Section 9(a) or 9(i) of the Note or (b) in the event of a Coverage Event prior to the Maturity Date or any Triggering Event at any time after the Maturity Date, in Lender's discretion, to take any action and to execute and deliver any instrument that Lender deems reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to Borrower representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same and to arrange for the transfer of all or any part of the Pledged Collateral on the books of the issuer to the name of Lender or Lender's nominee.

18. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other party any other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given (and deemed to have been given) in the manner and to the respective addresses set forth in Section 11 of the Note. Failure or delay in delivering copies of any such notice, demand, request, consent, approval, declaration or other communication to any Persons designated in the Credit Agreement to receive copies shall in no way adversely affect the effectiveness of such notice or other communication.

19. GOVERNING LAW. THE RIGHTS AND DUTIES OF BORROWER AND LENDER UNDER THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

20. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

21. Entire Agreement. This Agreement and the other Credit Documents constitute the entire agreement between Borrower and Lender (in their respective capacities as such) and supersede any prior agreements between them.

22. Nonliability of Lender. The relationship between Borrower and Lender shall be solely that of borrower and lender. Lender shall have no fiduciary responsibilities to Borrower. Lender undertakes no responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations.

23. Counterparts. This Agreement may be executed in any number of counterpart, each of which shall be an original, but all of which shall together constitute one and the same agreement. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this Agreement.

24. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

25. Rights Cumulative. Each of the rights and remedies of Lender under this Agreement and the other Credit Documents shall be in addition to all of its other rights and remedies under this Agreement and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

26. Acknowledgement of PI Pledge Agreement. The Borrower hereby (i) acknowledges receipt of a copy of the PI Pledge Agreement, and (ii) acknowledges and agrees to the terms and provisions thereof, including, without limitation, Section 7(c).

*[Remainder of Page Intentionally Left Blank]
- Signature Page Follows -*

IN WITNESS WHEREOF, the parties hereto have caused this Pledge Agreement to be duly executed and delivered by their duly authorized trustees on the date first above written.

BORROWER

THE SIDNEY L. PORT TRUST DATED
JULY 22, 1970

By: /s/ Ronald B. Port

Ronald B. Port, as Co-Trustee of The Sidney L. Port Trust
Dated July 22, 1970

By: /s/ Roberta P. Washlow

Roberta P. Washlow, as Co-Trustee of The Sidney L. Port
Trust Dated July 22, 1970

LENDER

SLP 2003 TRUST B

By: /s/ H. George Mann

H. George Mann, as Trustee of the SLP 2003 Trust B

[Signature Page to Loan B Pledge Agreement]

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this "Agreement") is dated as of March 11, 2008, and entered into by and between PORT INVESTMENTS, L.P., a Delaware limited partnership ("Pledgor"), and H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust B, created March 6, 2008 ("Lender").

RECITALS:

WHEREAS, pursuant to that certain Secured Promissory Note in the original principal amount of Three Million Eight Hundred Seventy-Five Thousand and 00/100 Dollars (\$3,875,000.00) (the "Original Principal Amount") of even date herewith, issued by RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970, as restated ("Borrower") to Lender (such Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof, the "Note"), Lender has agreed to make a loan (the "Loan") to Borrower in the Original Principal Amount; and

WHEREAS, Pledgor owns 1,200,000 shares of the issued and outstanding common stock of Lawson Products, Inc., a Delaware corporation ("Lawson") and, in order to further secure the prompt and complete payment, performance and observance of all "Obligations" (as such term is defined in the Note), Pledgor has agreed to pledge 400,000 of such shares (the "Pledged Interests") and the other Pledged Collateral (as such term is defined below) to Lender;

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to make the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby agrees with Lender as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Note.

2. Pledge. Pledgor hereby pledges, hypothecates, assigns, transfers and delivers unto Lender, and hereby grants to Lender a Lien on, the following property and interests in property of Pledgor (collectively, the "Pledged Collateral"):

(a) the Pledged Interests, and all cash, securities, interest, dividends, distributions, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Interests;

(b) all other property hereafter delivered to Pledgor in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such property and all cash, securities, interest, dividends, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(c) (i) the Cash Collateral Account (as such term is defined below), (ii) all general intangibles, claims and privileges of any kind in respect of the Cash Collateral Account, (iii) all funds, items, instruments, investment property, financial assets, securities and other things of value of any kind of or for the account of Pledgor at any time paid to, deposited with, credited or held by or withdrawable from or in transit to the Cash Collateral Account, and all other property of Pledgor from time to time in the possession or under the control of, or in transit to, the Securities Firm (as such term is defined below), in its capacity as such, or any agent, bailee or custodian therefor; and

(d) all proceeds of any of the foregoing.

Pledgor agrees to execute and deliver to Lender promptly upon receipt of Lender's request therefor: (i) assignments separate from certificate in form and substance reasonably satisfactory to Lender, undated and appropriately endorsed in blank, with respect to the Pledged Interests and (ii) such other documents of transfer as Lender may from time to time reasonably request to enable Lender to transfer, after the occurrence and during the continuance of a Triggering Event, the Pledged Collateral into Lender's name or the name of Lender's nominee (all of the foregoing are hereinafter collectively referred to as the "Powers").

3. Security for Obligations. The Pledged Collateral secures the prompt and complete payment, performance and observance of all Obligations, including, without limitation, all obligations and liabilities of Pledgor hereunder.

4. Representations and Warranties of Pledgor. Pledgor represents and warrants to Lender that:

(a) No part of the Pledged Collateral is subject to any previous assignment and, except for the interest granted to Lender pursuant to this Agreement, Pledgor owns (and will keep) the Pledged Collateral free and clear of all Liens.

(b) Pledgor owns and has good and marketable title to the Pledged Interests as of the date hereof.

(c) The pledge of the Pledged Interests pursuant to this Agreement creates a valid and continuing perfected first priority Lien on the Pledged Collateral, in favor of Lender, securing the prompt and complete payment, performance and observance of the Obligations.

(d) Each of the Powers is duly executed and delivered and gives Lender the authority it purports to confer.

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or Person is required either for (i) the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor or (ii) for the exercise by Lender of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

5. Voting Rights; Dividends; Etc.

(a) Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Interests or any part thereof for any purpose not inconsistent with the terms of this Agreement.

(b) So long as no Triggering Event shall have occurred and be continuing under Section 9(a) or 9(i) of the Note, Pledgor shall be entitled to receive and retain any and all dividends and distributions paid in respect of the Pledged Interests (but shall in no event be entitled at any time to receive or retain any dividends, distributions or interest paid in respect of any other Pledged Collateral); provided, however, that any and all:

(1) dividends, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(2) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(3) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral, shall be Pledged Collateral and shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for the benefit of Lender, be segregated from the other property or funds of Pledgor and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) Upon the occurrence and during all times that the Coverage Ratio is equal to or less than 1.50 to 1.00 (a "Coverage Event"):

(i) All rights of Pledgor to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 5(b) of this Agreement shall cease, and, all such rights shall thereupon become vested in Lender who, together with any assignee or designee of all or any portion of its rights hereunder, shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments.

(ii) All dividends, distributions and interest payments which are received by Pledgor contrary to the provisions of paragraph (i) of this Section 5(c) shall be segregated from other funds of Pledgor and shall be immediately paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

6. Additional Covenants.

(a) Coverage Ratio: Notwithstanding anything to the contrary in this Agreement, upon a Coverage Event, Lender shall have the option, exercised in Lender's sole and absolute discretion, to (A) request the pledge by Pledgor, which request Pledgor may refuse, in favor of Lender of additional assets as Pledged Collateral (whether in the form of a pledge of additional shares of Lawson common stock or a pledge of other assets satisfactory to Lender) with an aggregate value (as determined in good faith by Lender) at least sufficient to cause the Coverage Ratio, after giving effect to such pledge of additional assets, to be greater than 1.50 to 1.00, such pledge to be effected no later than five (5) Business Days after Pledgor's receipt of such request, or (B) sell all or a portion of the Pledged Interests in an amount sufficient to generate cash collateral which, when added to the aggregate value (as determined in good faith by Lender) of all other cash, cash equivalents or other investment property then maintained in the Cash Collateral Account, is not less than the Adjusted Aggregate Loan Exposure at such time.

(b) For purposes hereof:

(i) "Adjusted Aggregate Loan Exposure" means, at any time of determination thereof, the amount obtained by discounting the Aggregate Loan Exposure at such time from the Maturity Date to the time of determination thereof in accordance with accepted financial practice and at a discount factor equal to two percent (2.00%) per annum, compounded quarterly; provided, however, that such percentage may be increased by written agreement of Borrower and Lender.

(ii) "Aggregate Loan Exposure" means, at any time of determination thereof, an amount equal to the sum at such time of (A) the Original Principal Amount, plus (B) accrued but unpaid interest under the Note, plus (C) all remaining interest to be paid by Borrower through and including the Maturity Date.

(iii) "Aggregate Value of Lawson Shares" means, at any time of determination thereof, (A) the sum at such time of (I) the Pledged Interests, plus (II) 381,667 shares of the issued and outstanding shares of the common stock of Lawson owned by Borrower and pledged by Borrower pursuant to the terms of the Borrower Pledge Agreement, plus (III) any other shares of common stock of Lawson that Borrower, Pledgor or any other Person may subsequent to the date of this Agreement pledge to Lender as Pledged Collateral to secure the Obligations, multiplied by (B) the arithmetic average of the Weighted Average Price of the shares of Lawson common stock on each of the five (5) consecutive Trading Days immediately preceding the applicable date of determination.

(iv) "Coverage Ratio" means, at any time of determination thereof, the ratio of (A) the Aggregate Value of Lawson Shares plus 1.5 times the value of the Cash Collateral Account, to (B) the Adjusted Aggregate Loan Exposure, in each case at such time.

(v) "Net Proceeds" means the cash proceeds (net of cash taxes paid or payable, and reasonable and customary costs paid to unrelated and unaffiliated third parties in connection with a particular transaction) arising from any sale of the Pledged Interests permitted under Section 6(d) of this Agreement.

(vi) "Principal Market" means the NASDAQ Global Select Market.

(vii) "Trading Day" means any day on which the Lawson common stock (or other security as applicable) is traded on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security); provided, however, that "Trading Day" shall not include any day on which the Lawson common stock (or other security, as applicable) is scheduled to trade, or actually trades, on the Principal Market (or other securities exchange or trading market) for less than 4.5 hours.

(viii) "Weighted Average Price" means, for the Lawson common stock or any other security as of any date, the volume-weighted average price for the Lawson common stock or other security on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security) during the period beginning at 9:30 a.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official close of trading), as reported by Bloomberg through its "Volume at Price" functions, or, if the foregoing does not apply, the volume-weighted average price for the Lawson common stock or other security in the over-the-counter market on the electronic bulletin board for the Lawson common stock or other security during the period beginning at 9:30 a.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official open of

trading), and ending at 4:00 p.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official close of trading), as reported by Bloomberg, or, if no volume-weighted average price is reported for the Lawson common stock or other security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Lawson common stock or other security as reported in the “pink sheets” by the National Quotation Bureau, Inc. If the Weighted Average Price cannot be calculated for the Lawson common stock or other security on such date on any of the foregoing bases, the Weighted Average Price of the Lawson common stock or other security on such date shall be the fair market value as mutually determined by Pledgor and Lender. If Pledgor and Lender are unable to agree upon the fair market value of the Lawson common stock or other security, then such dispute shall be resolved by an independent, reputable investment banking firm agreed to by Pledgor and Lender, whose determination shall be deemed final and conclusive, absent manifest error. All determinations of Weighted Average Price are to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during any period during which the Weighted Average Price is being determined.

(c) Cash Collateral Account: Any additional assets of Pledgor pledged, and any cash collateral constituting proceeds of Pledged Interests sold, in each case pursuant to Section 6(a) of this Agreement, shall, immediately upon receipt thereof by Lender, be delivered by Lender to the Securities Firm (hereinafter defined) for deposit into a separate designated sub-account (the “Cash Collateral Account”) of the Securities Account (hereinafter defined) maintained with the Securities Firm pursuant to the Securities Account Control Agreement (hereinafter defined). Prior to the establishment of the Cash Collateral Account, any such additional assets and cash collateral shall be deposited by Lender into a separate designated account maintained by Lender with a financial institution selected by Lender and reasonably satisfactory to Pledgor.

(d) Sale of the Pledged Interests by Pledgor: Pledgor shall have the right to sell all or any part of the Pledged Interests at any time without the consent of Lender; provided, however, that (i) after giving effect to each such sale, a Coverage Event shall not have occurred and be continuing and (ii) one hundred percent (100%) of the Net Proceeds of each such sale shall be received in immediately available Dollars and deposited promptly upon receipt thereof into the Cash Collateral Account (or, prior to the establishment of the Cash Collateral Account, the separate designated account maintained by Lender pursuant to Section 6(c) of this Agreement).

(e) Payments out of the Cash Collateral Account: At all times that the value of the Cash Collateral Account is greater than the Adjusted Aggregate Loan Exposure, Lender shall allow Pledgor to withdraw such excess from the Cash Collateral Account. This determination shall be made by Lender (i) upon the deposit of any amount into the Cash Collateral Account and (ii) at the end of each calendar year.

(f) Sale of Pledged Interests by Lender: Notwithstanding anything in this Agreement to the contrary, Lender shall have the right to sell all or a portion of the Pledged Interests upon the occurrence of a Triggering Event under Section 9(a) or 9(i) of the Note in an amount sufficient to generate cash collateral sufficient to satisfy Borrower's obligation under the Note with respect to such Triggering Event.

(g) Dissolution of Pledgor: Pledgor and Lender acknowledge that pursuant to the terms of the Partnership Agreement of Pledgor, Pledgor will be dissolved on or about June 11, 2012 (the "Dissolution"). Upon the Dissolution, (i) the Pledged Collateral shall continue to be subject to the terms and conditions of this Agreement and, prior to the consummation of the Dissolution, Pledgor (and its partners) shall have executed and delivered to Lender any and all documents as may be reasonably requested by Lender in order to continue the pledge of the Pledged Collateral as contemplated hereby; and (ii) Pledgor shall distribute the Pledged Collateral, subject to the Partnership Agreement, among the partners as determined by the Managing General Partners of Pledgor; provided that such Pledged Collateral, as distributed shall remain subject to this Pledge Agreement.

7. Remedies.

(a) Upon the occurrence and during the continuance of (i)(A) a Triggering Event under Section 9(a) or 9(i) of the Note or (B) a Coverage Event, in each case prior to the Maturity Date or (ii) any Triggering Event at any time after the Maturity Date, Lender may, subject to subparagraph (c) of this Section 7, exercise in respect of the Pledged Collateral, to the extent permitted by applicable law, all rights and remedies of a secured party under Article 9 of the Uniform Commercial Code of the State of Illinois (the "UCC") in order to cure any such Triggering Event or Coverage Event (as the case may be), whether or not the UCC applies to the affected Pledged Collateral. Lender also, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Pledgor or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may, to the extent permitted under applicable law, forthwith collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral, or any part thereof, in one or more portions at one or more public or private sales or dispositions, at any exchange or broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as Lender may deem advisable and at such prices as it may deem best, for any combination of cash and/or securities or other property or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale, public or private, to purchase the whole or any part of said Pledged Interests so sold, free of any right or equity of redemption in Pledgor, which right or equity is hereby expressly waived and released. Only after so paying over such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need Lender account for the surplus, if any, to Pledgor. Pledgor agrees that Lender need not give more than ten (10) days' prior written notice of the time and place of any public sale or of the time after which a private sale or other

intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to Pledgor if it has signed after default a statement renouncing or modifying any right to notification of sale or other intended disposition. Notwithstanding the foregoing or anything to the contrary contained herein, Lender shall not have the right to cause the Loan to be prepaid in whole or in part at any time prior to the Maturity Date.

(b) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after a Triggering Event, Pledgor agrees that after the occurrence of a Triggering Event, Lender may, from time to time, attempt to sell, or cause Pledgor to sell, all or any part of the Pledged Collateral by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If Lender solicits such offers from not less than two (2) such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, that this Section does not impose a requirement that Lender solicit offers from four or more investors in order for the sale to be commercially reasonable.

(c) If at any time the Lender shall be entitled to exercise any right hereunder to sell any Pledged Interests, or, if at any time the Lender shall be entitled to exercise any right hereunder to apply any Pledged Collateral to the payment of any Obligations, and Lender shall be entitled at such time to exercise any right to sell any Pledged Interests or to apply any Pledged Collateral, in each case, pursuant to, and as such terms are defined in the Borrower Pledge Agreement, then Lender shall first sell Pledged Interests of the Borrower, or apply Pledged Collateral of the Borrower, prior to selling any Pledged Interests of the Pledgor or applying any Pledged Collateral of the Pledgor, in each case, pursuant to this Agreement.

8. Duty of Care. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law, including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with Lender's (a) gross negligence or willful misconduct, or (b) failure to use reasonable care with respect to the safe custody of the Pledged Collateral in such Person's possession. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other Persons but may do so at its option. All expenses incurred in connection therewith shall be for the sole account of Pledgor, and shall constitute part of the Obligations secured hereby.

9. No Disposition, Etc. Except as expressly set forth in Section 6 of this Agreement, Pledgor agrees that it will not sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any Pledged Collateral, nor will Pledgor create, incur or permit to exist any Lien on any of the Pledged Collateral, except for the Lien granted to Lender pursuant to this Agreement.

10. Further Assurances. Pledgor agrees that at any time, and from time to time, at the expense of Pledgor, Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Pledgor agrees to take any action as Lender may reasonably request in order to perfect the security interest granted hereunder.

11. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Amendments; etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Successors. This Agreement and all obligations of Pledgor hereunder shall be binding upon the successors and assigns of Pledgor, and shall, together with the rights and remedies of Lender hereunder, inure to the benefit of Lender and its respective successors and assigns, except that Pledgor shall not have any right to assign its rights or obligations under this Agreement or any interest herein without the prior written consent of Lender.

14. Termination. Upon Payment in Full, this Agreement and the Lien granted hereunder shall terminate and Lender shall return the Pledged Interests to Pledgor.

15. Possession of Pledged Collateral. Pledgor shall deliver the Pledged Interests to Lender or to a Person who has agreed in writing to act as Lender's agent for such purposes, and Lender (or such other Person as the case may be) shall take possession of the Pledged Interests, in each case on the Closing Date, and Lender (or such other Person as the case may be) shall thereafter hold the Pledged Interests pursuant to the terms hereof; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein, Lender agrees to deliver the Pledged Interests to a "securities intermediary" (as such term is defined in the UCC) selected by Pledgor (the "Securities Firm") and at the request and expense of Borrower to be deposited into a securities account (the "Securities

Account”) pursuant to a securities account control agreement (the “Securities Account Control Agreement”), in form and substance mutually acceptable to Pledgor and Lender, but in all events sufficient to maintain Lender’s “control” (as such term is defined in the UCC) of the Pledged Interests.

16. Survival of Representations. All representations and warranties of Pledgor contained in this Agreement shall survive the execution and delivery of this Agreement.

17. Lender Appointed Attorney-In-Fact. Pledgor hereby irrevocably appoints Lender as Pledgor’s attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, (a) during the continuation of a Triggering Event under Section 9(a) or 9(i) of the Note or (b) in the event of a Coverage Event prior to the Maturity Date or any Triggering Event at any time after the Maturity Date, in Lender’s discretion, to take any action and to execute and deliver any instrument that Lender deems reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to Pledgor representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same and to arrange for the transfer of all or any part of the Pledged Collateral on the books of the issuer to the name of Lender or Lender’s nominee.

18. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other party any other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given (and deemed to have been given) in the manner and to the respective addresses set forth for notices to the Borrower in Section 11 of the Note. Failure or delay in delivering copies of any such notice, demand, request, consent, approval, declaration or other communication to any Persons designated in the Credit Agreement to receive copies shall in no way adversely affect the effectiveness of such notice or other communication.

19. GOVERNING LAW. THE RIGHTS AND DUTIES OF PLEDGOR AND LENDER UNDER THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

20. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

21. Entire Agreement. This Agreement and the other Credit Documents constitute the entire agreement between Pledgor and Lender (in their respective capacities as such) and supersede any prior agreements between them.

22. Nonliability of Lender. The relationship between Pledgor and Lender shall be solely that of pledgor and lender. Lender shall have no fiduciary responsibilities to Pledgor. Lender undertakes no responsibility to Pledgor to review or inform Pledgor of any matter in connection with any phase of Pledgor's business or operations.

23. Counterparts. This Agreement may be executed in any number of counterpart, each of which shall be an original, but all of which shall together constitute one and the same agreement. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this Agreement.

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25. Rights Cumulative. Each of the rights and remedies of Lender under this Agreement and the other Credit Documents shall be in addition to all of its other rights and remedies under this Agreement and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

26. Additional Agreements.

(a) The Pledgor hereby (a) agrees (i) to any modification of any term or condition of the Loan and/or to any extension or renewal of time of payment or performance by the Lender; and (ii) that no release of any other guarantor or any other person liable for payment of all or any portion of the Loan, whether by operation of law or by any act of the Lender, with or without notice to Pledgor, shall release Pledgor; (b) waives notice of any election, acceptance, demand, protest, notice of protest and notice of default, presentment for payment, diligence in collection, and to the extent permitted by law, all benefit of valuation, appraisal and all exemptions under the laws of the State of Illinois and/or any other state or territory of the United States; and (c) agrees, if the Loan is not paid in accordance with the terms hereof, to pay in addition to all other sums of money due, all costs of collection including costs of litigation and (whether or not suit is brought) the Lender's reasonable attorneys' fees and disbursements.

(b) The Pledgor's liability hereunder shall in no way be affected or impaired by any of the following (any or all of which may be done or omitted by the Lender without notice to anyone and irrespective of whether the Loan shall be increased or decreased thereby), namely: (a) any acceptance by the Lender of any security or collateral for the Loan; (b) any compromise, settlement, surrender, release, discharge, renewal, extension, alienation, exchange, sale, pledge or other disposition of, or substitution for, or

indulgence with respect to, or failure, neglect or omission to realize upon, or to enforce, exercise or perfect any lien or right of appropriation or other right with respect to the Loan or any security or collateral therefor, or any claim against any person or persons, primarily or secondarily liable thereon; (c) the granting of credit from time to time by the Lender to the Borrower in excess of the amount to which the right of recovery under this Pledge Agreement may be limited; or (d) any act of commission or omission of any kind or at any time upon the part of the Lender with respect to any matter whatsoever, and any and all other suretyship, guarantor or similar defenses under applicable law (other than (i) the Lender's gross negligence or willful misconduct and (ii) the execution and delivery by the Lender to the Pledgor of an express written release or cancellation of this Pledge Agreement). Subject to Section 7(c), the Lender shall have the right to determine how, when and what application of payments and credit, if any, whether derived from the Borrower or any other source, shall be made on the Loan, and this Pledge Agreement shall apply to secure any ultimate balance that shall remain owing to the Lender.

(c) Pledgor shall not exercise any rights that Pledgor may now have or hereafter acquire against Borrower or that arise from the existence, payment, performance or enforcement of Pledgor's obligations hereunder, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Lender against Borrower or any other guarantor or any collateral for the Loan, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from Borrower or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until the Loan and all other amounts payable hereunder shall have been indefeasibly paid in full in cash and the Note and the Loan and all of the agreements ancillary thereto shall have terminated pursuant to the respective terms and provisions thereof.

(d) This Pledge Agreement shall continue in force in any event until all of the Obligations and all other amounts payable hereunder shall have been indefeasibly paid in full in cash and the Note and the other Credit Documents shall have terminated pursuant to the respective terms and provisions thereof.

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- Signature Page Follows -

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized partners, officers or trustees on the date first above written.

PLEDGOR

PORT INVESTMENTS, L.P.

/s/ Ronald B. Port

Ronald B. Port, its co-managing general partner

/s/ Roberta P. Washlow

Roberta P. Washlow, its co-managing general partner

LENDER

SLP 2003 TRUST B

By: /s/ H. George Mann

H. George Mann, as Trustee of the SLP 2003 Trust B

[Signature Page to Loan B Partnership Pledge Agreement]

SECURED PROMISSORY NOTE

\$1,937,500.00

March 11, 2008

FOR VALUE RECEIVED, RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated ("Borrower"), unconditionally promise to pay to the order of H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust C, created March 6, 2008 ("Lender"), the principal sum of ONE MILLION NINE HUNDRED THIRTY-SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$1,937,500.00), together with interest thereon, in each case as set forth below, at the following address: 1186 Linden Avenue, Highland Park, Illinois 60035, or at such other place as the legal holder of this instrument may designate in writing from time to time.

1. General Definitions.

As used herein, the following terms have the meanings herein specified:

"Borrower Pledge Agreement" means that certain Pledge Agreement of even date herewith, executed by Borrower in favor of Lender, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

"Business Day" means any day other than a Saturday, Sunday or legal holiday on which commercial banks in Chicago, Illinois, are generally closed.

"Collateral" means any and all assets and rights and interests in or to property of Borrower and any other Person, whether real or personal, tangible or intangible or mixed, in each case on which a Lien is granted or purported to be granted to Lender pursuant to any of the Collateral Documents.

"Collateral Documents" means the Pledge Agreements and all other agreements, documents and instruments now or hereafter executed and delivered in connection with this Note, pursuant to which Liens are granted or are purported to be granted to Lender to secure all or any part of the Obligations.

"Credit Documents" means, collectively, this Note, the Guaranty, the Collateral Documents and all other agreements, documents, instruments and certificates, now or hereafter executed and delivered by and between Borrower and Lender in connection herewith or therewith, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

"Dollars" and the sign "\$" each mean freely transferable lawful money of the United States of America.

"Expenses" means all present and future expenses incurred by or on behalf of Lender in connection with this Note, any other Credit Document or otherwise, whether incurred heretofore or hereafter, which expenses shall include, without being

limited to, the reasonable fees and expenses of counsel for Lender and of any accountants or other experts and agents that Lender may incur in connection with (a) the documentation and administration of this Note and the other Credit Documents (including, without limitation, any fairness opinion delivered in connection with the Loan), (b) custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, including, without limitation, the Pledged Collateral, (d) the exercise or enforcement of any of the rights of Lender hereunder or under any of the other Credit Documents, or (e) the failure of Borrower to perform or observe any of the provisions hereof or of any of the other Credit Documents.

“Guarantor” means Samantha E. Borstein, an individual.

“Guaranty” means that certain Personal Guaranty of even date herewith, executed by Guarantor in favor of Lender, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Lien(s)” means (a) any lien, claim, charge, pledge, security interest, deed of trust, mortgage, other encumbrance or other arrangement having the practical effect of the foregoing or other preferential arrangement of any other kind and shall include the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement and (b) in addition, in the case of any investment property, any contract or other arrangement, express or implied, under which any Person has the right to control such investment property; provided however, that a “Lien” shall not include certain restrictions on dispositions by laws affecting the offering and sale of securities generally.

“Loan” means the loan in the original principal amount of \$1,937,500.00 made by Lender to Borrower and evidenced by this Note.

“Material Adverse Effect” means a material adverse effect on (a) the value of Collateral or the amount which Lender would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation of such Collateral, (b) the ability of Borrower to perform its obligations under the Credit Documents to which it is a party or (c) the rights and remedies of Lender under any Credit Document.

“Note” means this Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof.

“Obligations” means (a) the unpaid principal of and interest on the loan evidenced by this Note, (b) the Expenses, and (c) all other liabilities of Borrower to Lender which may arise under, out of, or in connection with, this Note, any other Credit Document or any other agreement, document or instrument made, delivered or given in connection herewith or therewith by and between Borrower and Lender.

“Patriot Act” means the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56, as amended.

“Payment in Full” or “Paid in Full” means the indefeasible payment in full in immediately available Dollars of all Obligations (including interest accrued after the commencement of any Insolvency Proceeding irrespective of whether a claim for such interest is allowable in such Insolvency Proceeding) and the termination of any obligation of Lender to advance funds or otherwise make extensions of credit hereunder or under any of the other Credit Documents.

“Person” mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity, party or government (including any division, agency or department thereof), and, as applicable, the successors, heirs and assigns of each.

“PI Pledge Agreement” means that certain Pledge Agreement by Port Investments, L.P. in favor of the Lender, dated of even date herewith, pursuant to which Port Investments, L.P. has agreed to provide additional Collateral to secure the Loan.

“Pledge Agreements” means the Borrower Pledge Agreement and the PI Pledge Agreement, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Triggering Event” has the meaning ascribed to that term in Section 9 of this Note.

2. Interest Rate; Maturity. From the date of advance and thereafter until repayment, interest shall accrue on the unpaid Obligations, including, without limitation, the principal balance hereof at a fixed per annum rate of eight percent (8.00%), compounded quarterly in arrears. Interest due hereunder shall be computed on the basis of a year of three hundred sixty (360) days for the actual number of days (including the first day but excluding the last day) elapsed. Except for the quarterly interest payments required pursuant to Section 3 of this Note, all then outstanding principal and accrued but unpaid interest hereunder, and all other amounts due and payable by Borrower to Lender pursuant to the terms hereof, in each case shall be immediately due and payable on March 11, 2022 (the “Maturity Date”), without the necessity of any notice or demand.

3. Payments. Interest shall be payable hereunder quarterly in arrears on the 20th day of each April, July, October and January, commencing on July 20, 2008 in an amount equal to (i) in the case of such payment due and payable on July 20, 2008, Twenty-three Thousand Three Hundred Eighty and 00/100 Dollars (\$23,380.00), and (ii) in the case of all other such payments, Twenty-one Thousand Eight Hundred Seventy-five and 00/100 Dollars (\$21,875.00). Payment of the balance of the interest accruing hereunder shall be deferred, compounded quarterly and payable on the Maturity Date without the necessity of any notice or demand. The entire

principal balance of the Loan and all accrued and unpaid interest thereon, and all other sums payable by Borrower in connection with the Loan shall be due and payable in full on the Maturity Date. Each determination by Lender of an interest rate or payment hereunder shall be conclusive and binding for all purposes, absent manifest error. If any payment under this Note becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day.

4. No Prepayment. The Note may not be prepaid in whole or in part at any time prior to the Maturity Date.

5. Collateral. This Note is secured by the Collateral Documents. Reference is made to the Collateral Documents for the terms and conditions governing the Collateral which secures the Obligations.

6. Representations and Warranties. To induce Lender to make the Loan, Borrower hereby represents and warrants to Lender that:

(a) Ownership of Collateral. Borrower owns all of the Collateral free and clear of all Liens other than the Liens in favor of Lender and Liens in favor of taxing authorities with respect to the payment of federal and state transfer taxes.

(b) No Conflict. The execution and delivery of, and performance by Borrower under, this Note and each of the other Credit Documents to which it is a party: (a) are within its trust powers; (b) are duly authorized by all necessary trust or trustee action; (c) are not in contravention of any applicable requirement of law or any indenture, contract, lease, agreement, instrument or other commitment to which it is a party or by which it or any of its properties are bound; (d) do not require the consent, registration or approval of any governmental authority or any other Person (except such as have been (or will be in the case of Uniform Commercial Code filings) duly obtained, made or given, and are in full force and effect); and (e) will not, except as contemplated herein, result in the imposition of any Liens upon any of the Collateral.

(c) Enforceability. This Note and all of the other Credit Documents to which Borrower is a party are the legal, valid and binding obligations of Borrower and are enforceable against Borrower in accordance with their terms, except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity.

(d) Consents. No consent or authorization of, filing with or other act by or in respect of, any governmental authority or any other Person is required in connection with the making of the Loan or with the execution, delivery, performance, validity or enforceability of this Note or the other Credit Documents, except for consents or authorizations that have been obtained or filings that have been (or will be in the case of Uniform Commercial Code filings) made and which, in each case, are in full force and effect.

(e) No Judgments or Litigation. No judgments, orders, writs or decrees are outstanding against Borrower nor is there now pending or, to the best of Borrower's knowledge, threatened any litigation, contested claim, investigation, arbitration, or governmental proceeding by or against Borrower except for any such judgment, order, writ, decree, litigation, contested claim, investigation, arbitration or governmental proceeding that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect.

(f) No Defaults. Borrower is not in default under any term of any indenture, contract, lease, agreement, instrument or other commitment to which Borrower is a party or by which Borrower is bound except for any such default that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect. Borrower knows of no material dispute regarding any such indenture, contract, lease, agreement, instrument or other commitment except for any such dispute that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect.

(g) Compliance with Law. Borrower is not in violation in any material respect with any applicable requirement of law or any requirement of any self-regulatory organization.

(h) Investment Company, Etc. Borrower is not subject to any law which purports to regulate or restrict its ability to borrow money or to consummate the transactions contemplated by this Note or the other Credit Documents or to perform its obligations hereunder or thereunder.

All representations and warranties of Borrower contained in this Note shall survive the execution and delivery of this Note.

7. Affirmative Covenants. Until Payment in Full, Borrower agrees that:

(a) Existence. Borrower shall maintain its trust existence.

(b) Further Assurances. Borrower shall take all such further actions and execute all such further documents and instruments as Lender may at any time reasonably determine to be necessary to further carry out and consummate the transactions contemplated by the Credit Documents.

8. Negative Covenants. Until Payment in Full, Borrower agrees that:

(a) No Liens. Borrower shall not directly or indirectly, mortgage, assign, pledge, transfer, create, incur, assume, suffer to exist or otherwise permit any Lien to exist on any of the Collateral other than the Liens in favor of Lender and Liens in favor of taxing authorities with respect to the payment of federal and state transfer taxes.

(b) No Sale of Collateral. Except as otherwise expressly permitted pursuant to the respective Pledge Agreements, Borrower shall not directly or indirectly, sell, lease, assign, transfer or otherwise dispose of any Collateral.

9. **Triggering Events.** The occurrence of any of the following events shall constitute a “Triggering Event” hereunder (whatever the reason for such event and whether it shall be voluntary or involuntary, or within or without the control of Borrower or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body):

(a) Borrower fails to make (i) the payment of principal and interest due and payable on the Maturity Date pursuant to the terms hereof, (ii) any quarterly interest payment required by Section 3 of this Note, or (iii) payment of any other amount due and payable under this Note or any of the other Credit Documents, and in the case of clauses (ii) and (iii) only, such failure continues for five (5) Business Days; or

(b) any representation or warranty made by Borrower under this Note or under any other Credit Document shall prove to have been incorrect or misleading in any material respect when made, except to the extent that such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall prove to have been incorrect or misleading in any material respect on or as of such earlier date); or

(c) Borrower fails to perform, comply with or observe any term, covenant or agreement applicable to it contained in Section 8 of this Note; or

(d) Borrower fails to comply with any covenant contained in this Note (other than under a provision covered by the foregoing clauses (a), (b) and (c) of this Section 9) or any of the other Credit Documents, which failure to comply is not cured thirty (30) calendar days after the earlier of the date that Borrower (i) receives notice from Lender of such failure or (ii) has actual knowledge of such failure; or

(e) dissolution, liquidation or winding up of Borrower, or the failure of Borrower to meet its debts as they mature, or the calling of one or more meetings of the major creditors of Borrower for purposes of obtaining a moratorium on payment or a compromise of such Borrower’s debts; or

(f) the commencement by or against Borrower of any bankruptcy, insolvency, arrangement, reorganization, receivership or similar proceedings under any federal or state law and, in the event any such proceeding is commenced against Borrower, such proceeding is not dismissed within sixty (60) calendar days; or

(g) any covenant, agreement or obligation of any Person contained in or evidenced by any of the Credit Documents shall cease to be enforceable in accordance with its terms, or any party (other than Lender) to any Credit Document shall deny or disaffirm its obligations under any of the Credit Documents, or any Credit Document shall be cancelled, terminated, revoked or rescinded without the express prior written consent of Lender, or any court or other Governmental Authority shall issue a judgment, order, decree or ruling to the effect that any of the obligations of any party to any Credit Document are illegal, invalid or unenforceable; or

(h) except as otherwise expressly permitted herein or in any of the other Credit Documents, Lender does not have or ceases to have a valid and perfected first priority security interest in the Collateral or any substantial portion thereof; or

(i) the occurrence of a "Coverage Event" (as such term is defined in the Borrower Pledge Agreement).

Upon the occurrence of a Triggering Event, Lender may exercise any remedy available to Lender pursuant to the Collateral Documents and any of the other Credit Documents.

10. Reimbursement of Expenses. Borrower shall reimburse Lender for all Expenses as the same are incurred by Lender upon Lender's demand therefor.

11. Notices. All notices and other communications provided for hereunder shall be in writing and shall be mailed, facsimiled or delivered, if to Borrower, at the following address:

The Sidney L. Port Trust Dated July 22, 1970
Roberta P. Washlow, Co-Trustee
[DELETED]

The Sidney L. Port Trust Dated July 22, 1970
Ronald B. Port, Co-Trustee
[DELETED]

The Sidney L. Port Trust Dated July 22, 1970
H. George Mann, Co-Trustee
1186 Linden Avenue
Highland Park, Illinois 60035
Facsimile: [DELETED]

with a copy to:

MCDERMOTT WILL & EMERY LLP
227 West Monroe Street, Suite 4400
Chicago, Illinois 60606-5096
Attention: James Cundiff
Facsimile: (312) 984-7700

with a copy to:

MAYER BROWN LLP
71 S. Wacker Drive
Chicago, Illinois 60606
Attention: James A. Casey
Facsimile: (312) 701-7711

and, if to Lender, to it at the following address:

SLP 2003 Trust C, created March 5, 2008
H. George Mann, Trustee
1186 Linden Avenue
Highland Park, Illinois 60035
Facsimile: [DELETED]

with a copy to:

SLP 2003 Trust C, created March 5, 2008
Samantha E. Borstein, Beneficiary
[DELETED]

with a copy to:

KATTEN MUCHIN ROSENMAN LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: Michael O. Hartz, Esq.
Facsimile: (312) 577-8789

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section 11. All such notices and other communications shall be effective, (a) if mailed, when received or three days after deposited in the mails, whichever occurs first, (b) if facsimiled, on the date of transmission if transmitted before 4:00 p.m. (Chicago time), otherwise on the next Business Day, (c) if delivered by personal delivery, upon delivery, or (d) if delivered by overnight courier, one (1) Business Day after delivery to the courier (specifying one (1) Business Days' delivery), in each case, properly addressed.

12. SUBMISSION TO JURISDICTION; WAIVERS. BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS NOTE AND THE OTHER CREDIT DOCUMENTS TO WHICH IT IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NONEXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE NORTHERN DISTRICT OF ILLINOIS, IN EACH CASE LOCATED IN CHICAGO, ILLINOIS, AND APPELLATE COURTS FROM ANY THEREOF;

(b) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER, OR ITS PROPERTY IN THE COURTS OF OTHER JURISDICTIONS; AND

(d) WAIVES DUE DILIGENCE, DEMAND, PRESENTMENT AND PROTEST AND ANY NOTICES THEREOF AS WELL AS NOTICE OF NONPAYMENT.

13. JURY TRIAL. BORROWER AND LENDER EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF THIS NOTE, THE OTHER CREDIT DOCUMENTS OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO.

14. GOVERNING LAW. THE RIGHTS AND DUTIES OF BORROWER AND LENDER UNDER THIS NOTE (INCLUDING MATTERS RELATING TO THE MAXIMUM PERMISSIBLE RATE) AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

15. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event, shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

16. Indemnification. Borrower shall and hereby agrees to indemnify, defend and hold harmless Lender and its respective trustees, agents, employees, counsel, advisors and affiliates from and against any and all losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred by any of them (except to the extent that it is finally judicially determined to have resulted from their own gross negligence or willful misconduct) arising out of or by reason of any litigations, investigations, claims or proceedings which arise out of or are in any way related to (i) this Note or the transactions contemplated hereby by and between Lender, Borrower and/or Guarantor, (ii) any actual or proposed use by Borrower of the proceeds of the Loan; or (iii) Lender's entering into this Note, the other Credit Documents or any other agreements, documents and instruments by and between Lender, Borrower and/or Guarantor relating hereto or thereto. If and to the extent that the Obligations of Borrower hereunder are unenforceable for any reason, Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such Obligations which is permissible under applicable law. Borrower's obligations hereunder shall survive any termination of this Note and the other Credit Documents and Payment in Full.

17. Entire Agreement. This Note and the other Credit Documents constitute the entire agreement between Borrower and Lender (in their respective capacities as such) and supersede any prior agreements between them.

18. Nonliability of Lender. The relationship between Borrower and Lender shall be solely that of borrower and lender. Lender, in its capacity as Lender, shall have no fiduciary responsibilities to Borrower. Lender undertakes no responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations.

19. Amendments, Etc. No amendment or waiver of any provision of this Note or any other Credit Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by Lender (and, in the case of amendments, Borrower), and each such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

20. Counterparts. Delivery of an executed copy of this Note by facsimile or email transmission shall be equally as effective as delivery of an original copy of this Note.

21. Severability. In case any provision in or obligation under this Note or the other Credit Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

22. Headings Descriptive. The headings of the several sections and subsections of this Note, are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Note.

23. Rights Cumulative. Each of the rights and remedies of Lender under this Note and the other Credit Documents shall be in addition to all of its other rights and remedies under this Note and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

24. Patriot Act. Lender, to the extent Lender is subject to the Patriot Act, hereby notifies Borrower that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Patriot Act.

[Remainder of Page Intentionally Left]

-Signature Page Follows-

BORROWER

**THE SIDNEY L. PORT TRUST DATED
JULY 22, 1970**

By: /s/ Ronald B. Port

Ronald B. Port, as Co-Trustee of The Sidney L. Port Trust
Dated July 22, 1970

By: /s/ Roberta P. Washlow

Roberta P. Washlow, as Co-Trustee of The Sidney L. Port
Trust Dated July 22, 1970

[Signature Page to Loan C Secured Promissory Note]

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this "Agreement") is dated as of March 11, 2008, and entered into by and between RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970, as restated ("Borrower"), and H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust C, created March 6, 2008 ("Lender").

RECITALS:

WHEREAS, pursuant to that certain Secured Promissory Note in the original principal amount of One Million Nine Hundred Thirty-Seven Thousand Five Hundred and 00/100 Dollars (\$1,937,500.00) (the "Original Principal Amount") of even date herewith, issued by Borrower to Lender (such Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof, the "Note"), Lender has agreed to make a loan (the "Loan") to Borrower in the Original Principal Amount; and

WHEREAS, Borrower owns 190,833 shares (the "Pledged Interests") of the issued and outstanding common stock of Lawson Products, Inc., a Delaware corporation ("Lawson") and, in order to further secure the prompt and complete payment, performance and observance of all "Obligations" (as such term is defined in the Note), Borrower has agreed to pledge the Pledged Collateral (as such term is defined below) to Lender;

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to make the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees with Lender as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Note.

2. Pledge. Borrower hereby pledges, hypothecates, assigns, transfers and delivers unto Lender, and hereby grants to Lender a Lien on, the following property and interests in property of Borrower (collectively, the "Pledged Collateral"):

(a) the Pledged Interests, and all cash, securities, interest, dividends, distributions, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Interests;

(b) all other property hereafter delivered to Borrower in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such property and all cash, securities, interest, dividends, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(c) (i) the Cash Collateral Account (as such term is defined below), (ii) all general intangibles, claims and privileges of any kind in respect of the Cash Collateral Account, (iii) all funds, items, instruments, investment property, financial assets, securities and other things of value of any kind of or for the account of Borrower at any time paid to, deposited with, credited or held by or withdrawable from or in transit to the Cash Collateral Account, and all other property of Borrower from time to time in the possession or under the control of, or in transit to, the Securities Firm (as such term is defined below), in its capacity as such, or any agent, bailee or custodian therefor; and

(d) all proceeds of any of the foregoing.

Borrower agrees to execute and deliver to Lender promptly upon receipt of Lender's request therefor: (i) assignments separate from certificate in form and substance reasonably satisfactory to Lender, undated and appropriately endorsed in blank, with respect to the Pledged Interests and (ii) such other documents of transfer as Lender may from time to time reasonably request to enable Lender to transfer, after the occurrence and during the continuance of a Triggering Event, the Pledged Collateral into Lender's name or the name of Lender's nominee (all of the foregoing are hereinafter collectively referred to as the "Powers").

3. Security for Obligations. The Pledged Collateral secures the prompt and complete payment, performance and observance of all Obligations, including, without limitation, all obligations and liabilities of Borrower hereunder.

4. Representations and Warranties of Borrower. Borrower represents and warrants to Lender that:

(a) No part of the Pledged Collateral is subject to any previous assignment and, except for the interest granted to Lender pursuant to this Agreement, Borrower owns (and will keep) the Pledged Collateral free and clear of all Liens.

(b) Borrower owns and has good and marketable title to the Pledged Interests as of the date hereof.

(c) The pledge of the Pledged Interests pursuant to this Agreement creates a valid and continuing perfected first priority Lien on the Pledged Collateral, in favor of Lender, securing the prompt and complete payment, performance and observance of the Obligations.

(d) Each of the Powers is duly executed and delivered and gives Lender the authority it purports to confer.

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or Person is required either for (i) the pledge by Borrower of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Borrower or (ii) for the exercise by Lender of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

5. Voting Rights; Dividends; Etc.

(a) Borrower shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Interests or any part thereof for any purpose not inconsistent with the terms of this Agreement.

(b) So long as no Triggering Event shall have occurred and be continuing under Section 9(a) or 9(i) of the Note, Borrower shall be entitled to receive and retain any and all dividends and distributions paid in respect of the Pledged Interests (but shall in no event be entitled at any time to receive or retain any dividends, distributions or interest paid in respect of any other Pledged Collateral), provided that any such dividends and distributions paid in respect of the Pledged Interests shall first be used to make the quarterly interest payments required by Section 3 of the Note; provided, further, however, that any and all:

(1) dividends, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(2) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(3) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral, shall be Pledged Collateral and shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Borrower, be received in trust for the benefit of Lender, be segregated from the other property or funds of Borrower and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) Upon the occurrence and during all times that the Coverage Ratio is equal to or less than 1.50 to 1.00 (a “Coverage Event”):

(i) All rights of Borrower to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 5(b) of this Agreement shall cease, and, all such rights shall thereupon become vested in Lender who, together with any assignee or designee of all or any portion of its rights hereunder, shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments.

(ii) All dividends, distributions and interest payments which are received by Borrower contrary to the provisions of paragraph (i) of this Section 5(c) shall be segregated from other funds of Borrower and shall be immediately paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

6. Additional Covenants.

(a) Coverage Ratio: Notwithstanding anything to the contrary in this Agreement, upon a Coverage Event, Lender shall have the option, exercised in Lender’s sole and absolute discretion, to (A) request the pledge by Borrower, which request Borrower may refuse, in favor of Lender of additional assets as Pledged Collateral (whether in the form of a pledge of additional shares of Lawson common stock or a pledge of other assets satisfactory to Lender) with an aggregate value (as determined in good faith by Lender) at least sufficient to cause the Coverage Ratio, after giving effect to such pledge of additional assets, to be greater than 1.50 to 1.00, such pledge to be effected no later than five (5) Business Days after Borrower’s receipt of such request, or (B) sell all or a portion of the Pledged Interests in an amount sufficient to generate cash collateral which, when added to the aggregate value (as determined in good faith by Lender) of all other cash, cash equivalents or other investment property then maintained in the Cash Collateral Account, is not less than the Adjusted Aggregate Loan Exposure at such time.

(b) For purposes hereof:

(i) “Adjusted Aggregate Loan Exposure” means, at any time of determination thereof, the amount obtained by discounting the Aggregate Loan Exposure at such time from the Maturity Date to the time of determination thereof in accordance with accepted financial practice and at a discount factor equal to two percent (2.00%) per annum, compounded quarterly; provided, however, that such percentage may be increased by written agreement of Borrower and Lender.

(ii) “Aggregate Loan Exposure” means, at any time of determination thereof, an amount equal to the sum at such time of (A) the Original Principal Amount, plus (B) accrued but unpaid interest under the Note, plus (C) all remaining interest to be paid by Borrower through and including the Maturity Date.

(iii) "Aggregate Value of Lawson Shares" means, at any time of determination thereof, (A) the sum at such time of (I) the Pledged Interests, plus (II) 200,000 of the issued and outstanding shares of the common stock of Lawson owned by Port Investments, L.P. ("PI") and pledged by PI in favor of Lender pursuant to the terms of that certain Pledge Agreement of even date herewith between PI and Lender, plus (III) any other shares of common stock of Lawson that Borrower, PI or any other Person may subsequent to the date of this Agreement pledge to Lender as Pledged Collateral to secure the Obligations, multiplied by (B) the arithmetic average of the Weighted Average Price of the shares of Lawson common stock on each of the five (5) consecutive Trading Days immediately preceding the applicable date of determination.

(iv) "Coverage Ratio" means, at any time of determination thereof, the ratio of (A) the Aggregate Value of Lawson Shares plus 1.5 times the value of the Cash Collateral Account, to (B) the Adjusted Aggregate Loan Exposure, in each case at such time.

(v) "Net Proceeds" means the cash proceeds (net of cash taxes paid or payable, and reasonable and customary costs paid to unrelated and unaffiliated third parties in connection with a particular transaction) arising from any sale of the Pledged Interests permitted under Section 6(d) of this Agreement.

(vi) "Principal Market" means the NASDAQ Global Select Market.

(vii) "Trading Day" means any day on which the Lawson common stock (or other security as applicable) is traded on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security); provided, however, that "Trading Day" shall not include any day on which the Lawson common stock (or other security, as applicable) is scheduled to trade, or actually trades, on the Principal Market (or other securities exchange or trading market) for less than 4.5 hours.

(viii) "Weighted Average Price" means, for the Lawson common stock or any other security as of any date, the volume-weighted average price for the Lawson common stock or other security on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security) during the period beginning at 9:30 a.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official close of trading), as reported by Bloomberg through its "Volume at Price" functions, or, if the foregoing does not apply, the volume-

weighted average price for the Lawson common stock or other security in the over-the-counter market on the electronic bulletin board for the Lawson common stock or other security during the period beginning at 9:30 a.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official close of trading), as reported by Bloomberg, or, if no volume-weighted average price is reported for the Lawson common stock or other security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Lawson common stock or other security as reported in the "pink sheets" by the National Quotation Bureau, Inc. If the Weighted Average Price cannot be calculated for the Lawson common stock or other security on such date on any of the foregoing bases, the Weighted Average Price of the Lawson common stock or other security on such date shall be the fair market value as mutually determined by Borrower and Lender. If Borrower and Lender are unable to agree upon the fair market value of the Lawson common stock or other security, then such dispute shall be resolved by an independent, reputable investment banking firm agreed to by Borrower and Lender, whose determination shall be deemed final and conclusive, absent manifest error. All determinations of Weighted Average Price are to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during any period during which the Weighted Average Price is being determined.

(c) Cash Collateral Account: Any additional assets of Borrower pledged, and any cash collateral constituting proceeds of Pledged Interests sold, in each case pursuant to Section 6(a) of this Agreement, shall, immediately upon receipt thereof by Lender, be delivered by Lender to the Securities Firm (hereinafter defined) for deposit into a separate designated sub-account (the "Cash Collateral Account") of the Securities Account (hereinafter defined) maintained with the Securities Firm pursuant to the Securities Account Control Agreement (hereinafter defined). Prior to the establishment of the Cash Collateral Account, any such additional assets and cash collateral shall be deposited by Lender into a separate designated account maintained by Lender with a financial institution selected by Lender and reasonably satisfactory to Borrower.

(d) Sale of the Pledged Interests by Borrower: Borrower shall have the right to sell all or any part of the Pledged Interests at any time without the consent of Lender; provided, however, that (i) after giving effect to each such sale, a Coverage Event shall not have occurred and be continuing and (ii) one hundred percent (100%) of the Net Proceeds of each such sale shall be received in immediately available Dollars and deposited promptly upon receipt thereof into the Cash Collateral Account (or, prior to the establishment of the Cash Collateral Account, the separate designated account maintained by Lender pursuant to Section 6(c) of this Agreement).

(e) Payments out of the Cash Collateral Account: At all times that the value of the Cash Collateral Account is greater than the Adjusted Aggregate Loan Exposure, Lender shall allow Borrower to withdraw such excess from the Cash Collateral Account. This determination shall be made by Lender (i) upon the deposit of any amount into the Cash Collateral Account and (ii) at the end of each calendar year.

(f) **Sale of Pledged Interests by Lender:** Notwithstanding anything in this Agreement to the contrary, Lender shall have the right to sell all or a portion of the Pledged Interests upon the occurrence of a Triggering Event under Section 9(a) or 9(i) of the Note in an amount sufficient to generate cash collateral sufficient to satisfy Borrower's obligation under the Note with respect to such Triggering Event.

7. Remedies.

(a) Upon the occurrence and during the continuance of (i)(A) a Triggering Event under Section 9(a) or 9(i) of the Note or (B) a Coverage Event, in each case prior to the Maturity Date or (ii) any Triggering Event at any time after the Maturity Date, Lender may exercise in respect of the Pledged Collateral, to the extent permitted by applicable law, all rights and remedies of a secured party under Article 9 of the Uniform Commercial Code of the State of Illinois (the "UCC") in order to cure any such Triggering Event or Coverage Event (as the case may be), whether or not the UCC applies to the affected Pledged Collateral. Lender also, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Borrower or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may, to the extent permitted under applicable law, forthwith collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral, or any part thereof, in one or more portions at one or more public or private sales or dispositions, at any exchange or broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as Lender may deem advisable and at such prices as it may deem best, for any combination of cash and/or securities or other property or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale, public or private, to purchase the whole or any part of said Pledged Interests so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby expressly waived and released. Only after so paying over such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need Lender account for the surplus, if any, to Borrower. Borrower agrees that Lender need not give more than ten (10) days' prior written notice of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to Borrower if it has signed after default a statement renouncing or modifying any right to notification of sale or other intended disposition. Notwithstanding the foregoing or anything to the contrary contained herein, Lender shall not have the right to cause the Loan to be prepaid in whole or in part at any time prior to the Maturity Date.

(b) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after a Triggering Event, Borrower agrees that after the occurrence of a Triggering Event, Lender may, from time to time, attempt to sell, or cause Borrower to sell, all or any part of the Pledged Collateral by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If Lender solicits such offers from not less than two (2) such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, that this Section does not impose a requirement that Lender solicit offers from four or more investors in order for the sale to be commercially reasonable.

8. Duty of Care. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law, including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with Lender's (a) gross negligence or willful misconduct, or (b) failure to use reasonable care with respect to the safe custody of the Pledged Collateral in such Person's possession. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other Persons but may do so at its option. All expenses incurred in connection therewith shall be for the sole account of Borrower, and shall constitute part of the Obligations secured hereby.

9. No Disposition, Etc. Except as expressly set forth in Section 6 of this Agreement, Borrower agrees that it will not sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any Pledged Collateral, nor will Borrower create, incur or permit to exist any Lien on any of the Pledged Collateral, except for the Lien granted to Lender pursuant to this Agreement.

10. Further Assurances. Borrower agrees that at any time, and from time to time, at the expense of Borrower, Borrower will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Borrower agrees to take any action as Lender may reasonably request in order to perfect the security interest granted hereunder.

11. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Amendments; etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Borrower herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Successors. This Agreement and all obligations of Borrower hereunder shall be binding upon the successors and assigns of Borrower, and shall, together with the rights and remedies of Lender hereunder, inure to the benefit of Lender and its respective successors and assigns, except that Borrower shall not have any right to assign its rights or obligations under this Agreement or any interest herein without the prior written consent of Lender.

14. Termination. Upon Payment in Full, this Agreement and the Lien granted hereunder shall terminate and Lender shall return the Pledged Interests to Borrower.

15. Possession of Pledged Collateral. Borrower shall deliver the Pledged Interests to Lender or to a Person who has agreed in writing to act as Lender's agent for such purposes, and Lender (or such other Person as the case may be) shall take possession of the Pledged Interests, in each case on the Closing Date, and Lender (or such other Person as the case may be) shall thereafter hold the Pledged Interests pursuant to the terms hereof; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein, Lender agrees to deliver the Pledged Interests to a "securities intermediary" (as such term is defined in the UCC) selected by Borrower (the "Securities Firm") and at the request and expense of Borrower to be deposited into a securities account (the "Securities Account") pursuant to a securities account control agreement (the "Securities Account Control Agreement"), in form and substance mutually acceptable to Borrower and Lender, but in all events sufficient to maintain Lender's "control" (as such term is defined in the UCC) of the Pledged Interests.

16. Survival of Representations. All representations and warranties of Borrower contained in this Agreement shall survive the execution and delivery of this Agreement.

17. Lender Appointed Attorney-In-Fact. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise, (a) during the continuation of a Triggering Event under Section 9(a) or 9(i) of the Note or (b) in the event of a Coverage Event prior to the Maturity Date or any Triggering Event at any time after the Maturity Date, in Lender's discretion, to take any action and to execute and deliver any instrument that Lender deems reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to Borrower representing any dividend or other distribution in respect of the

Pledged Collateral or any part thereof and to give full discharge for the same and to arrange for the transfer of all or any part of the Pledged Collateral on the books of the issuer to the name of Lender or Lender's nominee.

18. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other party any other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given (and deemed to have been given) in the manner and to the respective addresses set forth in Section 11 of the Note. Failure or delay in delivering copies of any such notice, demand, request, consent, approval, declaration or other communication to any Persons designated in the Credit Agreement to receive copies shall in no way adversely affect the effectiveness of such notice or other communication.

19. GOVERNING LAW. THE RIGHTS AND DUTIES OF BORROWER AND LENDER UNDER THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

20. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

21. Entire Agreement. This Agreement and the other Credit Documents constitute the entire agreement between Borrower and Lender (in their respective capacities as such) and supersede any prior agreements between them.

22. Nonliability of Lender. The relationship between Borrower and Lender shall be solely that of borrower and lender. Lender shall have no fiduciary responsibilities to Borrower. Lender undertakes no responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations.

23. Counterparts. This Agreement may be executed in any number of counterpart, each of which shall be an original, but all of which shall together constitute one and the same agreement. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this Agreement.

24. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

25. Rights Cumulative. Each of the rights and remedies of Lender under this Agreement and the other Credit Documents shall be in addition to all of its other rights and remedies under this Agreement and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

26. Acknowledgement of PI Pledge Agreement. The Borrower hereby (i) acknowledges receipt of a copy of the PI Pledge Agreement, and (ii) acknowledges and agrees to the terms and provisions thereof, including, without limitation, Section 7(c).

*[Remainder of Page Intentionally Left Blank]
- Signature Page Follows -*

IN WITNESS WHEREOF, the parties hereto have caused this Pledge Agreement to be duly executed and delivered by their duly authorized trustees on the date first above written.

BORROWER

THE SIDNEY L. PORT TRUST DATED JULY 22, 1970

By: /s/ Ronald B. Port
Ronald B. Port, as Co-Trustee of The Sidney L. Port Trust
Dated July 22, 1970

By: /s/ Roberta P. Washlow
Roberta P. Washlow, as Co-Trustee of The Sidney L. Port
Trust Dated July 22, 1970

LENDER

SLP 2003 TRUST C

By: /s/ H. George Mann
H. George Mann, as Trustee of the SLP 2003 Trust C

[Signature Page to Loan C Pledge Agreement]

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this "Agreement") is dated as of March 11, 2008, and entered into by and between PORT INVESTMENTS, L.P., a Delaware limited partnership ("Pledgor"), and H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust C, created March 6, 2008 ("Lender").

RECITALS:

WHEREAS, pursuant to that certain Secured Promissory Note in the original principal amount of One Million Nine Hundred Thirty-Seven Thousand Five Hundred and 00/100 Dollars (\$1,937,500.00) (the "Original Principal Amount") of even date herewith, issued by RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970, as restated ("Borrower") to Lender (such Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof, the "Note"), Lender has agreed to make a loan (the "Loan") to Borrower in the Original Principal Amount; and

WHEREAS, Pledgor owns 1,200,000 shares of the issued and outstanding common stock of Lawson Products, Inc., a Delaware corporation ("Lawson") and, in order to further secure the prompt and complete payment, performance and observance of all "Obligations" (as such term is defined in the Note), Pledgor has agreed to pledge 200,000 of such shares (the "Pledged Interests") and the other Pledged Collateral (as such term is defined below) to Lender;

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to make the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby agrees with Lender as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Note.

2. Pledge. Pledgor hereby pledges, hypothecates, assigns, transfers and delivers unto Lender, and hereby grants to Lender a Lien on, the following property and interests in property of Pledgor (collectively, the "Pledged Collateral"):

(a) the Pledged Interests, and all cash, securities, interest, dividends, distributions, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Interests;

(b) all other property hereafter delivered to Pledgor in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such property and all cash, securities, interest, dividends, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(c) (i) the Cash Collateral Account (as such term is defined below), (ii) all general intangibles, claims and privileges of any kind in respect of the Cash Collateral Account, (iii) all funds, items, instruments, investment property, financial assets, securities and other things of value of any kind of or for the account of Pledgor at any time paid to, deposited with, credited or held by or withdrawable from or in transit to the Cash Collateral Account, and all other property of Pledgor from time to time in the possession or under the control of, or in transit to, the Securities Firm (as such term is defined below), in its capacity as such, or any agent, bailee or custodian therefor; and

(d) all proceeds of any of the foregoing.

Pledgor agrees to execute and deliver to Lender promptly upon receipt of Lender's request therefor: (i) assignments separate from certificate in form and substance reasonably satisfactory to Lender, undated and appropriately endorsed in blank, with respect to the Pledged Interests and (ii) such other documents of transfer as Lender may from time to time reasonably request to enable Lender to transfer, after the occurrence and during the continuance of a Triggering Event, the Pledged Collateral into Lender's name or the name of Lender's nominee (all of the foregoing are hereinafter collectively referred to as the "Powers").

3. Security for Obligations. The Pledged Collateral secures the prompt and complete payment, performance and observance of all Obligations, including, without limitation, all obligations and liabilities of Pledgor hereunder.

4. Representations and Warranties of Pledgor. Pledgor represents and warrants to Lender that:

(a) No part of the Pledged Collateral is subject to any previous assignment and, except for the interest granted to Lender pursuant to this Agreement, Pledgor owns (and will keep) the Pledged Collateral free and clear of all Liens.

(b) Pledgor owns and has good and marketable title to the Pledged Interests as of the date hereof.

(c) The pledge of the Pledged Interests pursuant to this Agreement creates a valid and continuing perfected first priority Lien on the Pledged Collateral, in favor of Lender, securing the prompt and complete payment, performance and observance of the Obligations.

(d) Each of the Powers is duly executed and delivered and gives Lender the authority it purports to confer.

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or Person is required either for (i) the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor or (ii) for the exercise by Lender of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

5. Voting Rights; Dividends; Etc.

(a) Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Interests or any part thereof for any purpose not inconsistent with the terms of this Agreement.

(b) So long as no Triggering Event shall have occurred and be continuing under Section 9(a) or 9(i) of the Note, Pledgor shall be entitled to receive and retain any and all dividends and distributions paid in respect of the Pledged Interests (but shall in no event be entitled at any time to receive or retain any dividends, distributions or interest paid in respect of any other Pledged Collateral); provided, however, that any and all:

(1) dividends, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(2) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(3) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral, shall be Pledged Collateral and shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for the benefit of Lender, be segregated from the other property or funds of Pledgor and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) Upon the occurrence and during all times that the Coverage Ratio is equal to or less than 1.50 to 1.00 (a “Coverage Event”):

(i) All rights of Pledgor to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 5(b) of this Agreement shall cease, and, all such rights shall thereupon become vested in Lender who, together with any assignee or designee of all or any portion of its rights hereunder, shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments.

(ii) All dividends, distributions and interest payments which are received by Pledgor contrary to the provisions of paragraph (i) of this Section 5(c) shall be segregated from other funds of Pledgor and shall be immediately paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

6. Additional Covenants.

(a) Coverage Ratio: Notwithstanding anything to the contrary in this Agreement, upon a Coverage Event, Lender shall have the option, exercised in Lender’s sole and absolute discretion, to (A) request the pledge by Pledgor, which request Pledgor may refuse, in favor of Lender of additional assets as Pledged Collateral (whether in the form of a pledge of additional shares of Lawson common stock or a pledge of other assets satisfactory to Lender) with an aggregate value (as determined in good faith by Lender) at least sufficient to cause the Coverage Ratio, after giving effect to such pledge of additional assets, to be greater than 1.50 to 1.00, such pledge to be effected no later than five (5) Business Days after Pledgor’s receipt of such request, or (B) sell all or a portion of the Pledged Interests in an amount sufficient to generate cash collateral which, when added to the aggregate value (as determined in good faith by Lender) of all other cash, cash equivalents or other investment property then maintained in the Cash Collateral Account, is not less than the Adjusted Aggregate Loan Exposure at such time.

(b) For purposes hereof:

(i) “Adjusted Aggregate Loan Exposure” means, at any time of determination thereof, the amount obtained by discounting the Aggregate Loan Exposure at such time from the Maturity Date to the time of determination thereof in accordance with accepted financial practice and at a discount factor equal to two percent (2.00%) per annum, compounded quarterly; provided, however, that such percentage may be increased by written agreement of Borrower and Lender.

(ii) “Aggregate Loan Exposure” means, at any time of determination thereof, an amount equal to the sum at such time of (A) the Original Principal Amount, plus (B) accrued but unpaid interest under the Note, plus (C) all remaining interest to be paid by Borrower through and including the Maturity Date.

(iii) “Aggregate Value of Lawson Shares” means, at any time of determination thereof, (A) the sum at such time of (I) the Pledged Interests, plus (II) 190,833 shares of the issued and outstanding shares of the common stock of Lawson owned by Borrower and pledged by Borrower pursuant to the terms of the Borrower Pledge Agreement, plus (III) any other shares of common stock of Lawson that Borrower, Pledgor or any other Person may subsequent to the date of this Agreement pledge to Lender as Pledged Collateral to secure the Obligations, multiplied by (B) the arithmetic average of the Weighted Average Price of the shares of Lawson common stock on each of the five (5) consecutive Trading Days immediately preceding the applicable date of determination.

(iv) “Coverage Ratio” means, at any time of determination thereof, the ratio of (A) the Aggregate Value of Lawson Shares plus 1.5 times the value of the Cash Collateral Account, to (B) the Adjusted Aggregate Loan Exposure, in each case at such time.

(v) “Net Proceeds” means the cash proceeds (net of cash taxes paid or payable, and reasonable and customary costs paid to unrelated and unaffiliated third parties in connection with a particular transaction) arising from any sale of the Pledged Interests permitted under Section 6(d) of this Agreement.

(vi) “Principal Market” means the NASDAQ Global Select Market.

(vii) “Trading Day” means any day on which the Lawson common stock (or other security as applicable) is traded on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security); provided, however, that “Trading Day” shall not include any day on which the Lawson common stock (or other security, as applicable) is scheduled to trade, or actually trades, on the Principal Market (or other securities exchange or trading market) for less than 4.5 hours.

(viii) “Weighted Average Price” means, for the Lawson common stock or any other security as of any date, the volume-weighted average price for the Lawson common stock or other security on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security) during the period beginning at 9:30 a.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official close of trading), as reported by Bloomberg through its “Volume at Price” functions, or, if the foregoing does not apply, the volume-weighted average price for the Lawson common stock or other security in the over-the-counter market on the electronic bulletin board for the Lawson common stock or other security during the period beginning at 9:30 a.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official open of

trading), and ending at 4:00 p.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official close of trading), as reported by Bloomberg, or, if no volume-weighted average price is reported for the Lawson common stock or other security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Lawson common stock or other security as reported in the “pink sheets” by the National Quotation Bureau, Inc. If the Weighted Average Price cannot be calculated for the Lawson common stock or other security on such date on any of the foregoing bases, the Weighted Average Price of the Lawson common stock or other security on such date shall be the fair market value as mutually determined by Pledgor and Lender. If Pledgor and Lender are unable to agree upon the fair market value of the Lawson common stock or other security, then such dispute shall be resolved by an independent, reputable investment banking firm agreed to by Pledgor and Lender, whose determination shall be deemed final and conclusive, absent manifest error. All determinations of Weighted Average Price are to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during any period during which the Weighted Average Price is being determined.

(c) Cash Collateral Account: Any additional assets of Pledgor pledged, and any cash collateral constituting proceeds of Pledged Interests sold, in each case pursuant to Section 6(a) of this Agreement, shall, immediately upon receipt thereof by Lender, be delivered by Lender to the Securities Firm (hereinafter defined) for deposit into a separate designated sub-account (the “Cash Collateral Account”) of the Securities Account (hereinafter defined) maintained with the Securities Firm pursuant to the Securities Account Control Agreement (hereinafter defined). Prior to the establishment of the Cash Collateral Account, any such additional assets and cash collateral shall be deposited by Lender into a separate designated account maintained by Lender with a financial institution selected by Lender and reasonably satisfactory to Pledgor.

(d) Sale of the Pledged Interests by Pledgor: Pledgor shall have the right to sell all or any part of the Pledged Interests at any time without the consent of Lender; provided, however, that (i) after giving effect to each such sale, a Coverage Event shall not have occurred and be continuing and (ii) one hundred percent (100%) of the Net Proceeds of each such sale shall be received in immediately available Dollars and deposited promptly upon receipt thereof into the Cash Collateral Account (or, prior to the establishment of the Cash Collateral Account, the separate designated account maintained by Lender pursuant to Section 6(c) of this Agreement).

(e) Payments out of the Cash Collateral Account: At all times that the value of the Cash Collateral Account is greater than the Adjusted Aggregate Loan Exposure, Lender shall allow Pledgor to withdraw such excess from the Cash Collateral Account. This determination shall be made by Lender (i) upon the deposit of any amount into the Cash Collateral Account and (ii) at the end of each calendar year.

(f) Sale of Pledged Interests by Lender: Notwithstanding anything in this Agreement to the contrary, Lender shall have the right to sell all or a portion of the Pledged Interests upon the occurrence of a Triggering Event under Section 9(a) or 9(i) of the Note in an amount sufficient to generate cash collateral sufficient to satisfy Borrower's obligation under the Note with respect to such Triggering Event.

(g) Dissolution of Pledgor: Pledgor and Lender acknowledge that pursuant to the terms of the Partnership Agreement of Pledgor, Pledgor will be dissolved on or about June 11, 2012 (the "Dissolution"). Upon the Dissolution, (i) the Pledged Collateral shall continue to be subject to the terms and conditions of this Agreement and, prior to the consummation of the Dissolution, Pledgor (and its partners) shall have executed and delivered to Lender any and all documents as may be reasonably requested by Lender in order to continue the pledge of the Pledged Collateral as contemplated hereby; and (ii) Pledgor shall distribute the Pledged Collateral, subject to the Partnership Agreement, among the partners as determined by the Managing General Partners of Pledgor; provided that such Pledged Collateral, as distributed shall remain subject to this Pledge Agreement.

7. Remedies.

(a) Upon the occurrence and during the continuance of (i)(A) a Triggering Event under Section 9(a) or 9(i) of the Note or (B) a Coverage Event, in each case prior to the Maturity Date or (ii) any Triggering Event at any time after the Maturity Date, Lender may, subject to subparagraph (c) of this Section 7, exercise in respect of the Pledged Collateral, to the extent permitted by applicable law, all rights and remedies of a secured party under Article 9 of the Uniform Commercial Code of the State of Illinois (the "UCC") in order to cure any such Triggering Event or Coverage Event (as the case may be), whether or not the UCC applies to the affected Pledged Collateral. Lender also, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Pledgor or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may, to the extent permitted under applicable law, forthwith collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral, or any part thereof, in one or more portions at one or more public or private sales or dispositions, at any exchange or broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as Lender may deem advisable and at such prices as it may deem best, for any combination of cash and/or securities or other property or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale, public or private, to purchase the whole or any part of said Pledged Interests so sold, free of any right or equity of redemption in Pledgor, which right or equity is hereby expressly waived and released. Only after so paying over such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need Lender account for the surplus, if any, to Pledgor. Pledgor agrees that Lender need not give more than ten (10) days' prior written notice of the time and place of any public sale or of the time after which a private sale or other

intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to Pledgor if it has signed after default a statement renouncing or modifying any right to notification of sale or other intended disposition. Notwithstanding the foregoing or anything to the contrary contained herein, Lender shall not have the right to cause the Loan to be prepaid in whole or in part at any time prior to the Maturity Date.

(b) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after a Triggering Event, Pledgor agrees that after the occurrence of a Triggering Event, Lender may, from time to time, attempt to sell, or cause Pledgor to sell, all or any part of the Pledged Collateral by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If Lender solicits such offers from not less than two (2) such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, that this Section does not impose a requirement that Lender solicit offers from four or more investors in order for the sale to be commercially reasonable.

(c) If at any time the Lender shall be entitled to exercise any right hereunder to sell any Pledged Interests, or, if at any time the Lender shall be entitled to exercise any right hereunder to apply any Pledged Collateral to the payment of any Obligations, and Lender shall be entitled at such time to exercise any right to sell any Pledged Interests or to apply any Pledged Collateral, in each case, pursuant to, and as such terms are defined in the Borrower Pledge Agreement, then Lender shall first sell Pledged Interests of the Borrower, or apply Pledged Collateral of the Borrower, prior to selling any Pledged Interests of the Pledgor or applying any Pledged Collateral of the Pledgor, in each case, pursuant to this Agreement.

8. Duty of Care. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law, including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with Lender's (a) gross negligence or willful misconduct, or (b) failure to use reasonable care with respect to the safe custody of the Pledged Collateral in such Person's possession. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other Persons but may do so at its option. All expenses incurred in connection therewith shall be for the sole account of Pledgor, and shall constitute part of the Obligations secured hereby.

9. No Disposition, Etc. Except as expressly set forth in Section 6 of this Agreement, Pledgor agrees that it will not sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any Pledged Collateral, nor will Pledgor create, incur or permit to exist any Lien on any of the Pledged Collateral, except for the Lien granted to Lender pursuant to this Agreement.

10. Further Assurances. Pledgor agrees that at any time, and from time to time, at the expense of Pledgor, Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Pledgor agrees to take any action as Lender may reasonably request in order to perfect the security interest granted hereunder.

11. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Amendments; etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Successors. This Agreement and all obligations of Pledgor hereunder shall be binding upon the successors and assigns of Pledgor, and shall, together with the rights and remedies of Lender hereunder, inure to the benefit of Lender and its respective successors and assigns, except that Pledgor shall not have any right to assign its rights or obligations under this Agreement or any interest herein without the prior written consent of Lender.

14. Termination. Upon Payment in Full, this Agreement and the Lien granted hereunder shall terminate and Lender shall return the Pledged Interests to Pledgor.

15. Possession of Pledged Collateral. Pledgor shall deliver the Pledged Interests to Lender or to a Person who has agreed in writing to act as Lender's agent for such purposes, and Lender (or such other Person as the case may be) shall take possession of the Pledged Interests, in each case on the Closing Date, and Lender (or such other Person as the case may be) shall thereafter hold the Pledged Interests pursuant to the terms hereof; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein, Lender agrees to deliver the Pledged Interests to a "securities intermediary" (as such term is defined in the UCC) selected by Pledgor (the "Securities Firm") and at the request and expense of Borrower to be deposited into a securities account (the "Securities Account") pursuant to a securities account control agreement (the "Securities Account Control Agreement"), in form and substance mutually acceptable to Pledgor and Lender, but in all events sufficient to maintain Lender's "control" (as such term is defined in the UCC) of the Pledged Interests.

16. Survival of Representations. All representations and warranties of Pledgor contained in this Agreement shall survive the execution and delivery of this Agreement.

17. Lender Appointed Attorney-In-Fact. Pledgor hereby irrevocably appoints Lender as Pledgor's attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, (a) during the continuation of a Triggering Event under Section 9(a) or 9(i) of the Note or (b) in the event of a Coverage Event prior to the Maturity Date or any Triggering Event at any time after the Maturity Date, in Lender's discretion, to take any action and to execute and deliver any instrument that Lender deems reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to Pledgor representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same and to arrange for the transfer of all or any part of the Pledged Collateral on the books of the issuer to the name of Lender or Lender's nominee.

18. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other party any other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given (and deemed to have been given) in the manner and to the respective addresses set forth for notices to the Borrower in Section 11 of the Note. Failure or delay in delivering copies of any such notice, demand, request, consent, approval, declaration or other communication to any Persons designated in the Credit Agreement to receive copies shall in no way adversely affect the effectiveness of such notice or other communication.

19. GOVERNING LAW. THE RIGHTS AND DUTIES OF PLEDGOR AND LENDER UNDER THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

20. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

21. Entire Agreement. This Agreement and the other Credit Documents constitute the entire agreement between Pledgor and Lender (in their respective capacities as such) and supersede any prior agreements between them.

22. Nonliability of Lender. The relationship between Pledgor and Lender shall be solely that of pledgor and lender. Lender shall have no fiduciary responsibilities to Pledgor. Lender undertakes no responsibility to Pledgor to review or inform Pledgor of any matter in connection with any phase of Pledgor's business or operations.

23. Counterparts. This Agreement may be executed in any number of counterpart, each of which shall be an original, but all of which shall together constitute one and the same agreement. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this Agreement.

24. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

25. Rights Cumulative. Each of the rights and remedies of Lender under this Agreement and the other Credit Documents shall be in addition to all of its other rights and remedies under this Agreement and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

26. Additional Agreements.

(a) The Pledgor hereby (a) agrees (i) to any modification of any term or condition of the Loan and/or to any extension or renewal of time of payment or performance by the Lender; and (ii) that no release of any other guarantor or any other person liable for payment of all or any portion of the Loan, whether by operation of law or by any act of the Lender, with or without notice to Pledgor, shall release Pledgor; (b) waives notice of any election, acceptance, demand, protest, notice of protest and notice of default, presentment for payment, diligence in collection, and to the extent permitted by law, all benefit of valuation, appraisal and all exemptions under the laws of the State of Illinois and/or any other state or territory of the United States; and (c) agrees, if the Loan is not paid in accordance with the terms hereof, to pay in addition to all other sums of money due, all costs of collection including costs of litigation and (whether or not suit is brought) the Lender's reasonable attorneys' fees and disbursements.

(b) The Pledgor's liability hereunder shall in no way be affected or impaired by any of the following (any or all of which may be done or omitted by the Lender without notice to anyone and irrespective of whether the Loan shall be increased or decreased thereby), namely: (a) any acceptance by the Lender of any security or collateral for the Loan; (b) any compromise, settlement, surrender, release, discharge, renewal, extension, alienation, exchange, sale, pledge or other disposition of, or substitution for, or

indulgence with respect to, or failure, neglect or omission to realize upon, or to enforce, exercise or perfect any lien or right of appropriation or other right with respect to the Loan or any security or collateral therefor, or any claim against any person or persons, primarily or secondarily liable thereon; (c) the granting of credit from time to time by the Lender to the Borrower in excess of the amount to which the right of recovery under this Pledge Agreement may be limited; or (d) any act of commission or omission of any kind or at any time upon the part of the Lender with respect to any matter whatsoever, and any and all other suretyship, guarantor or similar defenses under applicable law (other than (i) the Lender's gross negligence or willful misconduct and (ii) the execution and delivery by the Lender to the Pledgor of an express written release or cancellation of this Pledge Agreement). Subject to Section 7(c), the Lender shall have the right to determine how, when and what application of payments and credit, if any, whether derived from the Borrower or any other source, shall be made on the Loan, and this Pledge Agreement shall apply to secure any ultimate balance that shall remain owing to the Lender.

(c) Pledgor shall not exercise any rights that Pledgor may now have or hereafter acquire against Borrower or that arise from the existence, payment, performance or enforcement of Pledgor's obligations hereunder, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Lender against Borrower or any other guarantor or any collateral for the Loan, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from Borrower or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until the Loan and all other amounts payable hereunder shall have been indefeasibly paid in full in cash and the Note and the Loan and all of the agreements ancillary thereto shall have terminated pursuant to the respective terms and provisions thereof.

(d) This Pledge Agreement shall continue in force in any event until all of the Obligations and all other amounts payable hereunder shall have been indefeasibly paid in full in cash and the Note and the other Credit Documents shall have terminated pursuant to the respective terms and provisions thereof.

*[Remainder of Page Intentionally Left Blank]
- Signature Page Follows -*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized trustees on the date first above written.

PLEDGOR

PORT INVESTMENTS, L.P.

By: /s/ Ronald B. Port
Ronald B. Port, its co-managing general partner

By: /s/ Roberta P. Washlow
Roberta P. Washlow, its co-managing general partner

LENDER

SLP 2003 TRUST C

By: /s/ H. George Mann
H. George Mann, as Trustee of the SLP 2003 Trust C

[Signature Page to Loan C Partnership Pledge Agreement]

SECURED PROMISSORY NOTE

\$1,937,500.00

March 11, 2008

FOR VALUE RECEIVED, RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970 as restated (“Borrower”), unconditionally promise to pay to the order of H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust D, created March 6, 2008 (“Lender”), the principal sum of ONE MILLION NINE HUNDRED THIRTY-SEVEN THOUSAND FIVE HUNDRED AND 00/100 DOLLARS (\$1,937,500.00), together with interest thereon, in each case as set forth below, at the following address: 1186 Linden Avenue, Highland Park, Illinois 60035, or at such other place as the legal holder of this instrument may designate in writing from time to time.

1. General Definitions.

As used herein, the following terms have the meanings herein specified:

“Borrower Pledge Agreement” means that certain Pledge Agreement of even date herewith, executed by Borrower in favor of Lender, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Business Day” means any day other than a Saturday, Sunday or legal holiday on which commercial banks in Chicago, Illinois, are generally closed.

“Collateral” means any and all assets and rights and interests in or to property of Borrower and any other Person, whether real or personal, tangible or intangible or mixed, in each case on which a Lien is granted or purported to be granted to Lender pursuant to any of the Collateral Documents.

“Collateral Documents” means the Pledge Agreements and all other agreements, documents and instruments now or hereafter executed and delivered in connection with this Note, pursuant to which Liens are granted or are purported to be granted to Lender to secure all or any part of the Obligations.

“Credit Documents” means, collectively, this Note, the Guaranty, the Collateral Documents and all other agreements, documents, instruments and certificates, now or hereafter executed and delivered by and between Borrower and Lender in connection herewith or therewith, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Dollars” and the sign “\$” each mean freely transferable lawful money of the United States of America.

“Expenses” means all present and future expenses incurred by or on behalf of Lender in connection with this Note, any other Credit Document or otherwise, whether incurred heretofore or hereafter, which expenses shall include, without being

limited to, the reasonable fees and expenses of counsel for Lender and of any accountants or other experts and agents that Lender may incur in connection with (a) the documentation and administration of this Note and the other Credit Documents (including, without limitation, any fairness opinion delivered in connection with the Loan), (b) custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, including, without limitation, the Pledged Collateral, (d) the exercise or enforcement of any of the rights of Lender hereunder or under any of the other Credit Documents, or (e) the failure of Borrower to perform or observe any of the provisions hereof or of any of the other Credit Documents.

“Guarantor” means Jenna E. Walsh, an individual.

“Guaranty” means that certain Personal Guaranty of even date herewith, executed by Guarantor in favor of Lender, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Lien(s)” means (a) any lien, claim, charge, pledge, security interest, deed of trust, mortgage, other encumbrance or other arrangement having the practical effect of the foregoing or other preferential arrangement of any other kind and shall include the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement and (b) in addition, in the case of any investment property, any contract or other arrangement, express or implied, under which any Person has the right to control such investment property; provided however, that a “Lien” shall not include certain restrictions on dispositions by laws affecting the offering and sale of securities generally.

“Loan” means the loan in the original principal amount of \$1,937,500.00 made by Lender to Borrower and evidenced by this Note.

“Material Adverse Effect” means a material adverse effect on (a) the value of Collateral or the amount which Lender would be likely to receive (after giving consideration to delays in payment and costs of enforcement) in the liquidation of such Collateral, (b) the ability of Borrower to perform its obligations under the Credit Documents to which it is a party or (c) the rights and remedies of Lender under any Credit Document.

“Note” means this Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof.

“Obligations” means (a) the unpaid principal of and interest on the loan evidenced by this Note, (b) the Expenses, and (c) all other liabilities of Borrower to Lender which may arise under, out of, or in connection with, this Note, any other Credit Document or any other agreement, document or instrument made, delivered or given in connection herewith or therewith by and between Borrower and Lender.

“Patriot Act” means the Uniting and Strengthening of America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56, as amended.

“Payment in Full” or “Paid in Full” means the indefeasible payment in full in immediately available Dollars of all Obligations (including interest accrued after the commencement of any Insolvency Proceeding irrespective of whether a claim for such interest is allowable in such Insolvency Proceeding) and the termination of any obligation of Lender to advance funds or otherwise make extensions of credit hereunder or under any of the other Credit Documents.

“Person” mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, association, corporation, limited liability company, institution, entity, party or government (including any division, agency or department thereof), and, as applicable, the successors, heirs and assigns of each.

“PI Pledge Agreement” means that certain Pledge Agreement by Port Investments, L.P. in favor of the Lender, dated of even date herewith, pursuant to which Port Investments, L.P. has agreed to provide additional Collateral to secure the Loan.

“Pledge Agreements” means the Borrower Pledge Agreement and the PI Pledge Agreement, as the same may be amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time.

“Triggering Event” has the meaning ascribed to that term in Section 9 of this Note.

2. Interest Rate; Maturity. From the date of advance and thereafter until repayment, interest shall accrue on the unpaid Obligations, including, without limitation, the principal balance hereof at a fixed per annum rate of eight percent (8.00%), compounded quarterly in arrears. Interest due hereunder shall be computed on the basis of a year of three hundred sixty (360) days for the actual number of days (including the first day but excluding the last day) elapsed. Except for the quarterly interest payments required pursuant to Section 3 of this Note, all then outstanding principal and accrued but unpaid interest hereunder, and all other amounts due and payable by Borrower to Lender pursuant to the terms hereof, in each case shall be immediately due and payable on March 11, 2022 (the “Maturity Date”), without the necessity of any notice or demand.

3. Payments. Interest shall be payable hereunder quarterly in arrears on the 20th day of each April, July, October and January, commencing on July 20, 2008 in an amount equal to (i) in the case of such payment due and payable on July 20, 2008, Twenty-three Thousand Three Hundred Eighty and 00/100 Dollars (\$23,380.00), and (ii) in the case of all other such payments, Twenty-one Thousand Eight Hundred Seventy-five and 00/100 Dollars (\$21,875.00). Payment of the balance of the interest accruing hereunder shall be deferred, compounded quarterly and payable on the Maturity Date without the necessity of any notice or demand. The entire

principal balance of the Loan and all accrued and unpaid interest thereon, and all other sums payable by Borrower in connection with the Loan shall be due and payable in full on the Maturity Date. Each determination by Lender of an interest rate or payment hereunder shall be conclusive and binding for all purposes, absent manifest error. If any payment under this Note becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day.

4. No Prepayment. The Note may not be prepaid in whole or in part at any time prior to the Maturity Date.

5. Collateral. This Note is secured by the Collateral Documents. Reference is made to the Collateral Documents for the terms and conditions governing the Collateral which secures the Obligations.

6. Representations and Warranties. To induce Lender to make the Loan, Borrower hereby represents and warrants to Lender that:

(a) Ownership of Collateral. Borrower owns all of the Collateral free and clear of all Liens other than the Liens in favor of Lender and Liens in favor of taxing authorities with respect to the payment of federal and state transfer taxes.

(b) No Conflict. The execution and delivery of, and performance by Borrower under, this Note and each of the other Credit Documents to which it is a party: (a) are within its trust powers; (b) are duly authorized by all necessary trust or trustee action; (c) are not in contravention of any applicable requirement of law or any indenture, contract, lease, agreement, instrument or other commitment to which it is a party or by which it or any of its properties are bound; (d) do not require the consent, registration or approval of any governmental authority or any other Person (except such as have been (or will be in the case of Uniform Commercial Code filings) duly obtained, made or given, and are in full force and effect); and (e) will not, except as contemplated herein, result in the imposition of any Liens upon any of the Collateral.

(c) Enforceability. This Note and all of the other Credit Documents to which Borrower is a party are the legal, valid and binding obligations of Borrower and are enforceable against Borrower in accordance with their terms, except as such enforceability may be limited by (i) the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and (ii) general principles of equity.

(d) Consents. No consent or authorization of, filing with or other act by or in respect of, any governmental authority or any other Person is required in connection with the making of the Loan or with the execution, delivery, performance, validity or enforceability of this Note or the other Credit Documents, except for consents or authorizations that have been obtained or filings that have been (or will be in the case of Uniform Commercial Code filings) made and which, in each case, are in full force and effect.

(e) No Judgments or Litigation. No judgments, orders, writs or decrees are outstanding against Borrower nor is there now pending or, to the best of Borrower's knowledge, threatened any litigation, contested claim, investigation, arbitration, or governmental proceeding by or against Borrower except for any such judgment, order, writ, decree, litigation, contested claim, investigation, arbitration or governmental proceeding that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect.

(f) No Defaults. Borrower is not in default under any term of any indenture, contract, lease, agreement, instrument or other commitment to which Borrower is a party or by which Borrower is bound except for any such default that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect. Borrower knows of no material dispute regarding any such indenture, contract, lease, agreement, instrument or other commitment except for any such dispute that could not reasonably be expected, singly or in the aggregate, to have a Material Adverse Effect.

(g) Compliance with Law. Borrower is not in violation in any material respect with any applicable requirement of law or any requirement of any self-regulatory organization.

(h) Investment Company, Etc. Borrower is not subject to any law which purports to regulate or restrict its ability to borrow money or to consummate the transactions contemplated by this Note or the other Credit Documents or to perform its obligations hereunder or thereunder.

All representations and warranties of Borrower contained in this Note shall survive the execution and delivery of this Note.

7. Affirmative Covenants. Until Payment in Full, Borrower agrees that:

(a) Existence. Borrower shall maintain its trust existence.

(b) Further Assurances. Borrower shall take all such further actions and execute all such further documents and instruments as Lender may at any time reasonably determine to be necessary to further carry out and consummate the transactions contemplated by the Credit Documents.

8. Negative Covenants. Until Payment in Full, Borrower agrees that:

(a) No Liens. Borrower shall not directly or indirectly, mortgage, assign, pledge, transfer, create, incur, assume, suffer to exist or otherwise permit any Lien to exist on any of the Collateral other than the Liens in favor of Lender and Liens in favor of taxing authorities with respect to the payment of federal and state transfer taxes.

(b) No Sale of Collateral. Except as otherwise expressly permitted pursuant to the respective Pledge Agreements, Borrower shall not directly or indirectly, sell, lease, assign, transfer or otherwise dispose of any Collateral.

9. **Triggering Events.** The occurrence of any of the following events shall constitute a “Triggering Event” hereunder (whatever the reason for such event and whether it shall be voluntary or involuntary, or within or without the control of Borrower or be effected by operation of law or pursuant to any judgment or order of any court or any order, rule or regulation of any governmental or nongovernmental body):

(a) Borrower fails to make (i) the payment of principal and interest due and payable on the Maturity Date pursuant to the terms hereof, (ii) any quarterly interest payment required by Section 3 of this Note, or (iii) payment of any other amount due and payable under this Note or any of the other Credit Documents, and in the case of clauses (ii) and (iii) only, such failure continues for five (5) Business Days; or

(b) any representation or warranty made by Borrower under this Note or under any other Credit Document shall prove to have been incorrect or misleading in any material respect when made, except to the extent that such representation or warranty expressly relates solely to an earlier date (in which case such representation or warranty shall prove to have been incorrect or misleading in any material respect on or as of such earlier date); or

(c) Borrower fails to perform, comply with or observe any term, covenant or agreement applicable to it contained in Section 8 of this Note; or

(d) Borrower fails to comply with any covenant contained in this Note (other than under a provision covered by the foregoing clauses (a), (b) and (c) of this Section 9) or any of the other Credit Documents, which failure to comply is not cured thirty (30) calendar days after the earlier of the date that Borrower (i) receives notice from Lender of such failure or (ii) has actual knowledge of such failure; or

(e) dissolution, liquidation or winding up of Borrower, or the failure of Borrower to meet its debts as they mature, or the calling of one or more meetings of the major creditors of Borrower for purposes of obtaining a moratorium on payment or a compromise of such Borrower’s debts; or

(f) the commencement by or against Borrower of any bankruptcy, insolvency, arrangement, reorganization, receivership or similar proceedings under any federal or state law and, in the event any such proceeding is commenced against Borrower, such proceeding is not dismissed within sixty (60) calendar days; or

(g) any covenant, agreement or obligation of any Person contained in or evidenced by any of the Credit Documents shall cease to be enforceable in accordance with its terms, or any party (other than Lender) to any Credit Document shall deny or disaffirm its obligations under any of the Credit Documents, or any Credit Document shall be cancelled, terminated, revoked or rescinded without the express prior written consent of Lender, or any court or other Governmental Authority shall issue a judgment, order, decree or ruling to the effect that any of the obligations of any party to any Credit Document are illegal, invalid or unenforceable; or

(h) except as otherwise expressly permitted herein or in any of the other Credit Documents, Lender does not have or ceases to have a valid and perfected first priority security interest in the Collateral or any substantial portion thereof; or

(i) the occurrence of a "Coverage Event" (as such term is defined in the Borrower Pledge Agreement).

Upon the occurrence of a Triggering Event, Lender may exercise any remedy available to Lender pursuant to the Collateral Documents and any of the other Credit Documents.

10. Reimbursement of Expenses. Borrower shall reimburse Lender for all Expenses as the same are incurred by Lender upon Lender's demand therefor.

11. Notices. All notices and other communications provided for hereunder shall be in writing and shall be mailed, facsimiled or delivered, if to Borrower, at the following address:

The Sidney L. Port Trust Dated July 22, 1970
Roberta P. Washlow, Co-Trustee
[DELETED]

The Sidney L. Port Trust Dated July 22, 1970
Ronald B. Port, Co-Trustee
[DELETED]

The Sidney L. Port Trust Dated July 22, 1970
H. George Mann, Co-Trustee
1186 Linden Avenue
Highland Park, Illinois 60035
Facsimile: [DELETED]

with a copy to:

MCDERMOTT WILL & EMERY LLP
227 West Monroe Street, Suite 4400
Chicago, Illinois 60606-5096
Attention: James Cundiff
Facsimile: (312) 984-7700

with a copy to:

MAYER BROWN LLP
71 S. Wacker Drive
Chicago, Illinois 60606
Attention: James A. Casey
Facsimile: (312) 701-7711

and, if to Lender, to it at the following address:

SLP 2003 Trust D, created March 5, 2008
H. George Mann, Trustee
1186 Linden Avenue
Highland Park, Illinois 60035
Facsimile: [DELETED]

with a copy to:

SLP 2003 Trust D, created March 5, 2008
Jenna E. Walsh, Beneficiary
[DELETED]

with a copy to:

KATTEN MUCHIN ROSENMAN LLP
525 West Monroe Street
Chicago, Illinois 60661
Attention: Michael O. Hartz, Esq.
Facsimile: (312) 577-8789

or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties complying as to delivery with the terms of this Section 11. All such notices and other communications shall be effective, (a) if mailed, when received or three days after deposited in the mails, whichever occurs first, (b) if facsimiled, on the date of transmission if transmitted before 4:00 p.m. (Chicago time), otherwise on the next Business Day, (c) if delivered by personal delivery, upon delivery, or (d) if delivered by overnight courier, one (1) Business Day after delivery to the courier (specifying one (1) Business Days' delivery), in each case, properly addressed.

12. SUBMISSION TO JURISDICTION; WAIVERS. BORROWER HEREBY IRREVOCABLY AND UNCONDITIONALLY:

(a) SUBMITS FOR ITSELF AND ITS PROPERTY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS NOTE AND THE OTHER CREDIT DOCUMENTS TO WHICH IT IS A PARTY, OR FOR RECOGNITION AND ENFORCEMENT OF ANY JUDGMENT IN RESPECT THEREOF, TO THE NONEXCLUSIVE GENERAL JURISDICTION OF THE COURTS OF THE STATE OF ILLINOIS, THE COURTS OF THE UNITED STATES OF AMERICA FOR THE NORTHERN DISTRICT OF ILLINOIS, IN EACH CASE LOCATED IN CHICAGO, ILLINOIS, AND APPELLATE COURTS FROM ANY THEREOF;

(b) CONSENTS THAT ANY SUCH ACTION OR PROCEEDING MAY BE BROUGHT IN SUCH COURTS AND WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH ACTION

OR PROCEEDING IN ANY SUCH COURT OR THAT SUCH ACTION OR PROCEEDING WAS BROUGHT IN AN INCONVENIENT COURT AND AGREES NOT TO PLEAD OR CLAIM THE SAME;

(c) AGREES THAT NOTHING HEREIN SHALL AFFECT THE RIGHT OF LENDER TO EFFECT SERVICE OF PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER, OR ITS PROPERTY IN THE COURTS OF OTHER JURISDICTIONS; AND

(d) WAIVES DUE DILIGENCE, DEMAND, PRESENTMENT AND PROTEST AND ANY NOTICES THEREOF AS WELL AS NOTICE OF NONPAYMENT.

13. JURY TRIAL. BORROWER AND LENDER EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF THIS NOTE, THE OTHER CREDIT DOCUMENTS OR ANY OTHER AGREEMENTS OR TRANSACTIONS RELATED HERETO OR THERETO.

14. GOVERNING LAW. THE RIGHTS AND DUTIES OF BORROWER AND LENDER UNDER THIS NOTE (INCLUDING MATTERS RELATING TO THE MAXIMUM PERMISSIBLE RATE) AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

15. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event, shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

16. Indemnification. Borrower shall and hereby agrees to indemnify, defend and hold harmless Lender and its respective trustees, agents, employees, counsel, advisors and affiliates from and against any and all losses, claims, damages, liabilities, deficiencies, judgments or expenses incurred by any of them (except to the extent that it is finally judicially determined to have resulted from their own gross negligence or willful misconduct) arising out of or by reason of any litigations, investigations, claims or proceedings which arise out of or are in any way related to (i) this Note or the transactions contemplated hereby by and between Lender, Borrower and/or Guarantor, (ii) any actual or proposed use by Borrower of the proceeds of the Loan; or (iii) Lender's entering into this Note, the other Credit Documents or any other agreements, documents and instruments by and between Lender, Borrower and/or Guarantor relating hereto or thereto. If and to the extent that the Obligations of Borrower hereunder are unenforceable for any reason, Borrower hereby agrees to make the maximum contribution to the payment and satisfaction of such Obligations which is permissible under applicable law. Borrower's obligations hereunder shall survive any termination of this Note and the other Credit Documents and Payment in Full.

17. Entire Agreement. This Note and the other Credit Documents constitute the entire agreement between Borrower and Lender (in their respective capacities as such) and supersede any prior agreements between them.

18. Nonliability of Lender. The relationship between Borrower and Lender shall be solely that of borrower and lender. Lender, in its capacity as Lender, shall have no fiduciary responsibilities to Borrower. Lender undertakes no responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations.

19. Amendments, Etc. No amendment or waiver of any provision of this Note or any other Credit Document, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by Lender (and, in the case of amendments, Borrower), and each such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

20. Counterparts. Delivery of an executed copy of this Note by facsimile or email transmission shall be equally as effective as delivery of an original copy of this Note.

21. Severability. In case any provision in or obligation under this Note or the other Credit Documents shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

22. Headings Descriptive. The headings of the several sections and subsections of this Note, are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Note.

23. Rights Cumulative. Each of the rights and remedies of Lender under this Note and the other Credit Documents shall be in addition to all of its other rights and remedies under this Note and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

24. Patriot Act. Lender, to the extent Lender is subject to the Patriot Act, hereby notifies Borrower that pursuant to the requirements of the Patriot Act, it may be required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender to identify Borrower in accordance with the Patriot Act.

[Remainder of Page Intentionally Left]

-Signature Page Follows-

BORROWER

**THE SIDNEY L. PORT TRUST DATED
JULY 22, 1970**

By: /s/ Ronald B. Port

Ronald B. Port, as Co-Trustee of The Sidney L. Port Trust
Dated July 22, 1970

By: /s/ Roberta P. Washlow

Roberta P. Washlow, as Co-Trustee of The Sidney L. Port
Trust Dated July 22, 1970

[Signature Page to Loan D Secured Promissory Note]

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this "Agreement") is dated as of March 11, 2008, and entered into by and between RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970, as restated ("Borrower"), and H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust D, created March 6, 2008 ("Lender").

RECITALS:

WHEREAS, pursuant to that certain Secured Promissory Note in the original principal amount of One Million Nine Hundred Thirty-Seven Thousand Five Hundred and 00/100 Dollars (\$1,937,500.00) (the "Original Principal Amount") of even date herewith, issued by Borrower to Lender (such Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof, the "Note"), Lender has agreed to make a loan (the "Loan") to Borrower in the Original Principal Amount; and

WHEREAS, Borrower owns 190,833 shares (the "Pledged Interests") of the issued and outstanding common stock of Lawson Products, Inc., a Delaware corporation ("Lawson") and, in order to further secure the prompt and complete payment, performance and observance of all "Obligations" (as such term is defined in the Note), Borrower has agreed to pledge the Pledged Collateral (as such term is defined below) to Lender;

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to make the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby agrees with Lender as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Note.

2. Pledge. Borrower hereby pledges, hypothecates, assigns, transfers and delivers unto Lender, and hereby grants to Lender a Lien on, the following property and interests in property of Borrower (collectively, the "Pledged Collateral"):

(a) the Pledged Interests, and all cash, securities, interest, dividends, distributions, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Interests;

(b) all other property hereafter delivered to Borrower in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such property and all cash, securities, interest, dividends, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(c) (i) the Cash Collateral Account (as such term is defined below), (ii) all general intangibles, claims and privileges of any kind in respect of the Cash Collateral Account, (iii) all funds, items, instruments, investment property, financial assets, securities and other things of value of any kind of or for the account of Borrower at any time paid to, deposited with, credited or held by or withdrawable from or in transit to the Cash Collateral Account, and all other property of Borrower from time to time in the possession or under the control of, or in transit to, the Securities Firm (as such term is defined below), in its capacity as such, or any agent, bailee or custodian therefor; and

(d) all proceeds of any of the foregoing.

Borrower agrees to execute and deliver to Lender promptly upon receipt of Lender's request therefor: (i) assignments separate from certificate in form and substance reasonably satisfactory to Lender, undated and appropriately endorsed in blank, with respect to the Pledged Interests and (ii) such other documents of transfer as Lender may from time to time reasonably request to enable Lender to transfer, after the occurrence and during the continuance of a Triggering Event, the Pledged Collateral into Lender's name or the name of Lender's nominee (all of the foregoing are hereinafter collectively referred to as the "Powers").

3. Security for Obligations. The Pledged Collateral secures the prompt and complete payment, performance and observance of all Obligations, including, without limitation, all obligations and liabilities of Borrower hereunder.

4. Representations and Warranties of Borrower. Borrower represents and warrants to Lender that:

(a) No part of the Pledged Collateral is subject to any previous assignment and, except for the interest granted to Lender pursuant to this Agreement, Borrower owns (and will keep) the Pledged Collateral free and clear of all Liens.

(b) Borrower owns and has good and marketable title to the Pledged Interests as of the date hereof.

(c) The pledge of the Pledged Interests pursuant to this Agreement creates a valid and continuing perfected first priority Lien on the Pledged Collateral, in favor of Lender, securing the prompt and complete payment, performance and observance of the Obligations.

(d) Each of the Powers is duly executed and delivered and gives Lender the authority it purports to confer.

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or Person is required either for (i) the pledge by Borrower of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Borrower or (ii) for the exercise by Lender of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

5. Voting Rights; Dividends; Etc.

(a) Borrower shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Interests or any part thereof for any purpose not inconsistent with the terms of this Agreement.

(b) So long as no Triggering Event shall have occurred and be continuing under Section 9(a) or 9(i) of the Note, Borrower shall be entitled to receive and retain any and all dividends and distributions paid in respect of the Pledged Interests (but shall in no event be entitled at any time to receive or retain any dividends, distributions or interest paid in respect of any other Pledged Collateral), provided that any such dividends and distributions paid in respect of the Pledged Interests shall first be used to make the quarterly interest payments required by Section 3 of the Note; provided, further, however, that any and all:

(1) dividends, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(2) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(3) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral, shall be Pledged Collateral and shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Borrower, be received in trust for the benefit of Lender, be segregated from the other property or funds of Borrower and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) Upon the occurrence and during all times that the Coverage Ratio is equal to or less than 1.50 to 1.00 (a “Coverage Event”):

(i) All rights of Borrower to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 5(b) of this Agreement shall cease, and, all such rights shall thereupon become vested in Lender who, together with any assignee or designee of all or any portion of its rights hereunder, shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments.

(ii) All dividends, distributions and interest payments which are received by Borrower contrary to the provisions of paragraph (i) of this Section 5(c) shall be segregated from other funds of Borrower and shall be immediately paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

6. Additional Covenants.

(a) Coverage Ratio: Notwithstanding anything to the contrary in this Agreement, upon a Coverage Event, Lender shall have the option, exercised in Lender’s sole and absolute discretion, to (A) request the pledge by Borrower, which request Borrower may refuse, in favor of Lender of additional assets as Pledged Collateral (whether in the form of a pledge of additional shares of Lawson common stock or a pledge of other assets satisfactory to Lender) with an aggregate value (as determined in good faith by Lender) at least sufficient to cause the Coverage Ratio, after giving effect to such pledge of additional assets, to be greater than 1.50 to 1.00, such pledge to be effected no later than five (5) Business Days after Borrower’s receipt of such request, or (B) sell all or a portion of the Pledged Interests in an amount sufficient to generate cash collateral which, when added to the aggregate value (as determined in good faith by Lender) of all other cash, cash equivalents or other investment property then maintained in the Cash Collateral Account, is not less than the Adjusted Aggregate Loan Exposure at such time.

(b) For purposes hereof:

(i) “Adjusted Aggregate Loan Exposure” means, at any time of determination thereof, the amount obtained by discounting the Aggregate Loan Exposure at such time from the Maturity Date to the time of determination thereof in accordance with accepted financial practice and at a discount factor equal to two percent (2.00%) per annum, compounded quarterly; provided, however, that such percentage may be increased by written agreement of Borrower and Lender.

(ii) “Aggregate Loan Exposure” means, at any time of determination thereof, an amount equal to the sum at such time of (A) the Original Principal Amount, plus (B) accrued but unpaid interest under the Note, plus (C) all remaining interest to be paid by Borrower through and including the Maturity Date.

(iii) "Aggregate Value of Lawson Shares" means, at any time of determination thereof, (A) the sum at such time of (I) the Pledged Interests, plus (II) 200,000 of the issued and outstanding shares of the common stock of Lawson owned by Port Investments, L.P. ("PI") and pledged by PI in favor of Lender pursuant to the terms of that certain Pledge Agreement of even date herewith between PI and Lender, plus (III) any other shares of common stock of Lawson that Borrower, PI or any other Person may subsequent to the date of this Agreement pledge to Lender as Pledged Collateral to secure the Obligations, multiplied by (B) the arithmetic average of the Weighted Average Price of the shares of Lawson common stock on each of the five (5) consecutive Trading Days immediately preceding the applicable date of determination.

(iv) "Coverage Ratio" means, at any time of determination thereof, the ratio of (A) the Aggregate Value of Lawson Shares plus 1.5 times the value of the Cash Collateral Account, to (B) the Adjusted Aggregate Loan Exposure, in each case at such time.

(v) "Net Proceeds" means the cash proceeds (net of cash taxes paid or payable, and reasonable and customary costs paid to unrelated and unaffiliated third parties in connection with a particular transaction) arising from any sale of the Pledged Interests permitted under Section 6(d) of this Agreement.

(vi) "Principal Market" means the NASDAQ Global Select Market.

(vii) "Trading Day" means any day on which the Lawson common stock (or other security as applicable) is traded on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security); provided, however, that "Trading Day" shall not include any day on which the Lawson common stock (or other security, as applicable) is scheduled to trade, or actually trades, on the Principal Market (or other securities exchange or trading market) for less than 4.5 hours.

(viii) "Weighted Average Price" means, for the Lawson common stock or any other security as of any date, the volume-weighted average price for the Lawson common stock or other security on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security) during the period beginning at 9:30 a.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official close of trading), as reported by Bloomberg through its "Volume at Price" functions, or, if the foregoing does not apply, the

volume-weighted average price for the Lawson common stock or other security in the over-the-counter market on the electronic bulletin board for the Lawson common stock or other security during the period beginning at 9:30 a.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official close of trading), as reported by Bloomberg, or, if no volume-weighted average price is reported for the Lawson common stock or other security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Lawson common stock or other security as reported in the "pink sheets" by the National Quotation Bureau, Inc. If the Weighted Average Price cannot be calculated for the Lawson common stock or other security on such date on any of the foregoing bases, the Weighted Average Price of the Lawson common stock or other security on such date shall be the fair market value as mutually determined by Borrower and Lender. If Borrower and Lender are unable to agree upon the fair market value of the Lawson common stock or other security, then such dispute shall be resolved by an independent, reputable investment banking firm agreed to by Borrower and Lender, whose determination shall be deemed final and conclusive, absent manifest error. All determinations of Weighted Average Price are to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during any period during which the Weighted Average Price is being determined.

(c) Cash Collateral Account: Any additional assets of Borrower pledged, and any cash collateral constituting proceeds of Pledged Interests sold, in each case pursuant to Section 6(a) of this Agreement, shall, immediately upon receipt thereof by Lender, be delivered by Lender to the Securities Firm (hereinafter defined) for deposit into a separate designated sub-account (the "Cash Collateral Account") of the Securities Account (hereinafter defined) maintained with the Securities Firm pursuant to the Securities Account Control Agreement (hereinafter defined). Prior to the establishment of the Cash Collateral Account, any such additional assets and cash collateral shall be deposited by Lender into a separate designated account maintained by Lender with a financial institution selected by Lender and reasonably satisfactory to Borrower.

(d) Sale of the Pledged Interests by Borrower: Borrower shall have the right to sell all or any part of the Pledged Interests at any time without the consent of Lender; provided, however, that (i) after giving effect to each such sale, a Coverage Event shall not have occurred and be continuing and (ii) one hundred percent (100%) of the Net Proceeds of each such sale shall be received in immediately available Dollars and deposited promptly upon receipt thereof into the Cash Collateral Account (or, prior to the establishment of the Cash Collateral Account, the separate designated account maintained by Lender pursuant to Section 6(c) of this Agreement).

(e) Payments out of the Cash Collateral Account: At all times that the value of the Cash Collateral Account is greater than the Adjusted Aggregate Loan Exposure, Lender shall allow Borrower to withdraw such excess from the Cash Collateral Account. This determination shall be made by Lender (i) upon the deposit of any amount into the Cash Collateral Account and (ii) at the end of each calendar year.

(f) Sale of Pledged Interests by Lender: Notwithstanding anything in this Agreement to the contrary, Lender shall have the right to sell all or a portion of the Pledged Interests upon the occurrence of a Triggering Event under Section 9(a) or 9(i) of the Note in an amount sufficient to generate cash collateral sufficient to satisfy Borrower's obligation under the Note with respect to such Triggering Event.

7. Remedies.

(a) Upon the occurrence and during the continuance of (i)(A) a Triggering Event under Section 9(a) or 9(i) of the Note or (B) a Coverage Event, in each case prior to the Maturity Date or (ii) any Triggering Event at any time after the Maturity Date, Lender may exercise in respect of the Pledged Collateral, to the extent permitted by applicable law, all rights and remedies of a secured party under Article 9 of the Uniform Commercial Code of the State of Illinois (the "UCC") in order to cure any such Triggering Event or Coverage Event (as the case may be), whether or not the UCC applies to the affected Pledged Collateral. Lender also, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Borrower or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may, to the extent permitted under applicable law, forthwith collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral, or any part thereof, in one or more portions at one or more public or private sales or dispositions, at any exchange or broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as Lender may deem advisable and at such prices as it may deem best, for any combination of cash and/or securities or other property or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale, public or private, to purchase the whole or any part of said Pledged Interests so sold, free of any right or equity of redemption in Borrower, which right or equity is hereby expressly waived and released. Only after so paying over such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need Lender account for the surplus, if any, to Borrower. Borrower agrees that Lender need not give more than ten (10) days' prior written notice of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to Borrower if it has signed after default a statement renouncing or modifying any right to notification of sale or other intended disposition. Notwithstanding the foregoing or anything to the contrary contained herein, Lender shall not have the right to cause the Loan to be prepaid in whole or in part at any time prior to the Maturity Date.

(b) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after a Triggering Event, Borrower agrees that after the occurrence of a Triggering Event, Lender may, from time to time, attempt to sell, or cause Borrower to sell, all or any part of the Pledged Collateral by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If Lender solicits such offers from not less than two (2) such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, that this Section does not impose a requirement that Lender solicit offers from four or more investors in order for the sale to be commercially reasonable.

8. Duty of Care. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law, including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with Lender's (a) gross negligence or willful misconduct, or (b) failure to use reasonable care with respect to the safe custody of the Pledged Collateral in such Person's possession. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other Persons but may do so at its option. All expenses incurred in connection therewith shall be for the sole account of Borrower, and shall constitute part of the Obligations secured hereby.

9. No Disposition, Etc. Except as expressly set forth in Section 6 of this Agreement, Borrower agrees that it will not sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any Pledged Collateral, nor will Borrower create, incur or permit to exist any Lien on any of the Pledged Collateral, except for the Lien granted to Lender pursuant to this Agreement.

10. Further Assurances. Borrower agrees that at any time, and from time to time, at the expense of Borrower, Borrower will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Borrower agrees to take any action as Lender may reasonably request in order to perfect the security interest granted hereunder.

11. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Amendments; etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Borrower herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Successors. This Agreement and all obligations of Borrower hereunder shall be binding upon the successors and assigns of Borrower, and shall, together with the rights and remedies of Lender hereunder, inure to the benefit of Lender and its respective successors and assigns, except that Borrower shall not have any right to assign its rights or obligations under this Agreement or any interest herein without the prior written consent of Lender.

14. Termination. Upon Payment in Full, this Agreement and the Lien granted hereunder shall terminate and Lender shall return the Pledged Interests to Borrower.

15. Possession of Pledged Collateral. Borrower shall deliver the Pledged Interests to Lender or to a Person who has agreed in writing to act as Lender's agent for such purposes, and Lender (or such other Person as the case may be) shall take possession of the Pledged Interests, in each case on the Closing Date, and Lender (or such other Person as the case may be) shall thereafter hold the Pledged Interests pursuant to the terms hereof; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein, Lender agrees to deliver the Pledged Interests to a "securities intermediary" (as such term is defined in the UCC) selected by Borrower (the "Securities Firm") and at the request and expense of Borrower to be deposited into a securities account (the "Securities Account") pursuant to a securities account control agreement (the "Securities Account Control Agreement"), in form and substance mutually acceptable to Borrower and Lender, but in all events sufficient to maintain Lender's "control" (as such term is defined in the UCC) of the Pledged Interests.

16. Survival of Representations. All representations and warranties of Borrower contained in this Agreement shall survive the execution and delivery of this Agreement.

17. Lender Appointed Attorney-In-Fact. Borrower hereby irrevocably appoints Lender as Borrower's attorney-in-fact, with full authority in the place and stead of Borrower and in the name of Borrower or otherwise, (a) during the continuation of a Triggering Event under Section 9(a) or 9(i) of the Note or (b) in the event of a Coverage Event prior to the Maturity Date or any Triggering Event at any time after the Maturity Date, in Lender's discretion, to take any action and to execute and deliver any instrument that Lender deems reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to Borrower representing any dividend or other distribution in respect of the

Pledged Collateral or any part thereof and to give full discharge for the same and to arrange for the transfer of all or any part of the Pledged Collateral on the books of the issuer to the name of Lender or Lender's nominee.

18. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other party any other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given (and deemed to have been given) in the manner and to the respective addresses set forth in Section 11 of the Note. Failure or delay in delivering copies of any such notice, demand, request, consent, approval, declaration or other communication to any Persons designated in the Credit Agreement to receive copies shall in no way adversely affect the effectiveness of such notice or other communication.

19. GOVERNING LAW. THE RIGHTS AND DUTIES OF BORROWER AND LENDER UNDER THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

20. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

21. Entire Agreement. This Agreement and the other Credit Documents constitute the entire agreement between Borrower and Lender (in their respective capacities as such) and supersede any prior agreements between them.

22. Nonliability of Lender. The relationship between Borrower and Lender shall be solely that of borrower and lender. Lender shall have no fiduciary responsibilities to Borrower. Lender undertakes no responsibility to Borrower to review or inform Borrower of any matter in connection with any phase of Borrower's business or operations.

23. Counterparts. This Agreement may be executed in any number of counterpart, each of which shall be an original, but all of which shall together constitute one and the same agreement. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this Agreement.

24. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

25. Rights Cumulative. Each of the rights and remedies of Lender under this Agreement and the other Credit Documents shall be in addition to all of its other rights and remedies under this Agreement and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

26. Acknowledgement of PI Pledge Agreement. The Borrower hereby (i) acknowledges receipt of a copy of the PI Pledge Agreement, and (ii) acknowledges and agrees to the terms and provisions thereof, including, without limitation, Section 7(c).

*[Remainder of Page Intentionally Left Blank]
- Signature Page Follows -*

IN WITNESS WHEREOF, the parties hereto have caused this Pledge Agreement to be duly executed and delivered by their duly authorized trustees on the date first above written.

BORROWER

THE SIDNEY L. PORT TRUST DATED
JULY 22, 1970

By: /s/ Ronald B. Port
Ronald B. Port, as Co-Trustee of The Sidney L. Port Trust
Dated July 22, 1970

By: /s/ Roberta P. Washlow
Roberta P. Washlow, as Co-Trustee of The Sidney L. Port
Trust Dated July 22, 1970

LENDER

SLP 2003 TRUST D

By: /s/ H. George Mann
H. George Mann, as Trustee of the SLP 2003 Trust D

[Signature Page to Loan D Pledge Agreement]

PLEDGE AGREEMENT

This PLEDGE AGREEMENT (this "Agreement") is dated as of March 11, 2008, and entered into by and between PORT INVESTMENTS, L.P., a Delaware limited partnership ("Pledgor"), and H. GEORGE MANN, not personally but as trustee of the SLP 2003 Trust D, created March 6, 2008 ("Lender").

RECITALS:

WHEREAS, pursuant to that certain Secured Promissory Note in the original principal amount of One Million Nine Hundred Thirty-Seven Thousand Five Hundred and 00/100 Dollars (\$1,937,500.00) (the "Original Principal Amount") of even date herewith, issued by RONALD B. PORT AND ROBERTA P. WASHLOW, not personally but as co-trustees of The Sidney L. Port Trust Dated July 22, 1970, dated July 22, 1970, as restated ("Borrower") to Lender (such Secured Promissory Note, as amended, extended, restated, amended and restated, supplemented or otherwise modified and in effect from time to time, and including all promissory notes and other instruments issued in exchange or replacement therefor or substitution or extension thereof, the "Note"), Lender has agreed to make a loan (the "Loan") to Borrower in the Original Principal Amount; and

WHEREAS, Pledgor owns 1,200,000 shares of the issued and outstanding common stock of Lawson Products, Inc., a Delaware corporation ("Lawson") and, in order to further secure the prompt and complete payment, performance and observance of all "Obligations" (as such term is defined in the Note), Pledgor has agreed to pledge 200,000 of such shares (the "Pledged Interests") and the other Pledged Collateral (as such term is defined below) to Lender;

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to make the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Pledgor hereby agrees with Lender as follows:

1. Defined Terms. Unless otherwise defined herein, all capitalized terms used herein and not otherwise defined herein shall have the meanings given them in the Note.

2. Pledge. Pledgor hereby pledges, hypothecates, assigns, transfers and delivers unto Lender, and hereby grants to Lender a Lien on, the following property and interests in property of Pledgor (collectively, the "Pledged Collateral"):

(a) the Pledged Interests, and all cash, securities, interest, dividends, distributions, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of, or in exchange for, any or all of the Pledged Interests;

(b) all other property hereafter delivered to Pledgor in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such property and all cash, securities, interest, dividends, options, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(c) (i) the Cash Collateral Account (as such term is defined below), (ii) all general intangibles, claims and privileges of any kind in respect of the Cash Collateral Account, (iii) all funds, items, instruments, investment property, financial assets, securities and other things of value of any kind of or for the account of Pledgor at any time paid to, deposited with, credited or held by or withdrawable from or in transit to the Cash Collateral Account, and all other property of Pledgor from time to time in the possession or under the control of, or in transit to, the Securities Firm (as such term is defined below), in its capacity as such, or any agent, bailee or custodian therefor; and

(d) all proceeds of any of the foregoing.

Pledgor agrees to execute and deliver to Lender promptly upon receipt of Lender's request therefor: (i) assignments separate from certificate in form and substance reasonably satisfactory to Lender, undated and appropriately endorsed in blank, with respect to the Pledged Interests and (ii) such other documents of transfer as Lender may from time to time reasonably request to enable Lender to transfer, after the occurrence and during the continuance of a Triggering Event, the Pledged Collateral into Lender's name or the name of Lender's nominee (all of the foregoing are hereinafter collectively referred to as the "Powers").

3. Security for Obligations. The Pledged Collateral secures the prompt and complete payment, performance and observance of all Obligations, including, without limitation, all obligations and liabilities of Pledgor hereunder.

4. Representations and Warranties of Pledgor. Pledgor represents and warrants to Lender that:

(a) No part of the Pledged Collateral is subject to any previous assignment and, except for the interest granted to Lender pursuant to this Agreement, Pledgor owns (and will keep) the Pledged Collateral free and clear of all Liens.

(b) Pledgor owns and has good and marketable title to the Pledged Interests as of the date hereof.

(c) The pledge of the Pledged Interests pursuant to this Agreement creates a valid and continuing perfected first priority Lien on the Pledged Collateral, in favor of Lender, securing the prompt and complete payment, performance and observance of the Obligations.

(d) Each of the Powers is duly executed and delivered and gives Lender the authority it purports to confer.

(e) No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, regulatory body or Person is required either for (i) the pledge by Pledgor of the Pledged Collateral pursuant to this Agreement or for the execution, delivery or performance of this Agreement by Pledgor or (ii) for the exercise by Lender of the rights provided for in this Agreement or the remedies in respect of the Pledged Collateral pursuant to this Agreement (except as may be required in connection with such disposition by laws affecting the offering and sale of securities generally).

5. Voting Rights; Dividends; Etc.

(a) Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Pledged Interests or any part thereof for any purpose not inconsistent with the terms of this Agreement.

(b) So long as no Triggering Event shall have occurred and be continuing under Section 9(a) or 9(i) of the Note, Pledgor shall be entitled to receive and retain any and all dividends and distributions paid in respect of the Pledged Interests (but shall in no event be entitled at any time to receive or retain any dividends, distributions or interest paid in respect of any other Pledged Collateral); provided, however, that any and all:

(1) dividends, distributions and interest paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for, any Pledged Collateral,

(2) dividends and other distributions paid or payable in cash in respect of any Pledged Collateral in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid-in-surplus, and

(3) cash paid, payable or otherwise distributed in respect of principal of, or in redemption of, or in exchange for, any Pledged Collateral, shall be Pledged Collateral and shall be forthwith delivered to Lender to hold as Pledged Collateral and shall, if received by Pledgor, be received in trust for the benefit of Lender, be segregated from the other property or funds of Pledgor and be forthwith delivered to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

(c) Upon the occurrence and during all times that the Coverage Ratio is equal to or less than 1.50 to 1.00 (a "Coverage Event"):

(i) All rights of Pledgor to receive the dividends, distributions and interest payments which it would otherwise be authorized to receive and retain pursuant to Section 5(b) of this Agreement shall cease, and, all such rights shall thereupon become vested in Lender who, together with any assignee or designee of all or any portion of its rights hereunder, shall thereupon have the sole right to receive and hold as Pledged Collateral such dividends, distributions and interest payments.

(ii) All dividends, distributions and interest payments which are received by Pledgor contrary to the provisions of paragraph (i) of this Section 5(c) shall be segregated from other funds of Pledgor and shall be immediately paid over to Lender as Pledged Collateral in the same form as so received (with any necessary endorsement).

6. Additional Covenants.

(a) Coverage Ratio: Notwithstanding anything to the contrary in this Agreement, upon a Coverage Event, Lender shall have the option, exercised in Lender's sole and absolute discretion, to (A) request the pledge by Pledgor, which request Pledgor may refuse, in favor of Lender of additional assets as Pledged Collateral (whether in the form of a pledge of additional shares of Lawson common stock or a pledge of other assets satisfactory to Lender) with an aggregate value (as determined in good faith by Lender) at least sufficient to cause the Coverage Ratio, after giving effect to such pledge of additional assets, to be greater than 1.50 to 1.00, such pledge to be effected no later than five (5) Business Days after Pledgor's receipt of such request, or (B) sell all or a portion of the Pledged Interests in an amount sufficient to generate cash collateral which, when added to the aggregate value (as determined in good faith by Lender) of all other cash, cash equivalents or other investment property then maintained in the Cash Collateral Account, is not less than the Adjusted Aggregate Loan Exposure at such time.

(b) For purposes hereof:

(i) "Adjusted Aggregate Loan Exposure" means, at any time of determination thereof, the amount obtained by discounting the Aggregate Loan Exposure at such time from the Maturity Date to the time of determination thereof in accordance with accepted financial practice and at a discount factor equal to two percent (2.00%) per annum, compounded quarterly; provided, however, that such percentage may be increased by written agreement of Borrower and Lender.

(ii) "Aggregate Loan Exposure" means, at any time of determination thereof, an amount equal to the sum at such time of (A) the Original Principal Amount, plus (B) accrued but unpaid interest under the Note, plus (C) all remaining interest to be paid by Borrower through and including the Maturity Date.

(iii) “Aggregate Value of Lawson Shares” means, at any time of determination thereof, (A) the sum at such time of (I) the Pledged Interests, plus (II) 190,833 shares of the issued and outstanding shares of the common stock of Lawson owned by Borrower and pledged by Borrower pursuant to the terms of the Borrower Pledge Agreement, plus (III) any other shares of common stock of Lawson that Borrower, Pledgor or any other Person may subsequent to the date of this Agreement pledge to Lender as Pledged Collateral to secure the Obligations, multiplied by (B) the arithmetic average of the Weighted Average Price of the shares of Lawson common stock on each of the five (5) consecutive Trading Days immediately preceding the applicable date of determination.

(iv) “Coverage Ratio” means, at any time of determination thereof, the ratio of (A) the Aggregate Value of Lawson Shares plus 1.5 times the value of the Cash Collateral Account, to (B) the Adjusted Aggregate Loan Exposure, in each case at such time.

(v) “Net Proceeds” means the cash proceeds (net of cash taxes paid or payable, and reasonable and customary costs paid to unrelated and unaffiliated third parties in connection with a particular transaction) arising from any sale of the Pledged Interests permitted under Section 6(d) of this Agreement.

(vi) “Principal Market” means the NASDAQ Global Select Market.

(vii) “Trading Day” means any day on which the Lawson common stock (or other security as applicable) is traded on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security); provided, however, that “Trading Day” shall not include any day on which the Lawson common stock (or other security, as applicable) is scheduled to trade, or actually trades, on the Principal Market (or other securities exchange or trading market) for less than 4.5 hours.

(viii) “Weighted Average Price” means, for the Lawson common stock or any other security as of any date, the volume-weighted average price for the Lawson common stock or other security on the Principal Market (or, if not traded on the Principal Market, the principal securities exchange or trading market for such security) during the period beginning at 9:30 a.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as the Principal Market (or other securities exchange or trading market, as applicable) publicly announces is the official close of trading), as reported by Bloomberg through its “Volume at Price” functions, or, if the foregoing does not apply, the volume-weighted average price for the Lawson common stock or other security in the over-the-counter market on the electronic bulletin board for the Lawson common stock or other security during the period beginning at 9:30 a.m., New York City Time (or such

other time as such over-the-counter market publicly announces is the official open of trading), and ending at 4:00 p.m., New York City Time (or such other time as such over-the-counter market publicly announces is the official close of trading), as reported by Bloomberg, or, if no volume-weighted average price is reported for the Lawson common stock or other security by Bloomberg for such hours, the average of the highest closing bid price and the lowest closing ask price of any of the market makers for the Lawson common stock or other security as reported in the “pink sheets” by the National Quotation Bureau, Inc. If the Weighted Average Price cannot be calculated for the Lawson common stock or other security on such date on any of the foregoing bases, the Weighted Average Price of the Lawson common stock or other security on such date shall be the fair market value as mutually determined by Pledgor and Lender. If Pledgor and Lender are unable to agree upon the fair market value of the Lawson common stock or other security, then such dispute shall be resolved by an independent, reputable investment banking firm agreed to by Pledgor and Lender, whose determination shall be deemed final and conclusive, absent manifest error. All determinations of Weighted Average Price are to be appropriately adjusted for any stock dividend, stock split, stock combination or other similar transaction during any period during which the Weighted Average Price is being determined.

(c) Cash Collateral Account: Any additional assets of Pledgor pledged, and any cash collateral constituting proceeds of Pledged Interests sold, in each case pursuant to Section 6(a) of this Agreement, shall, immediately upon receipt thereof by Lender, be delivered by Lender to the Securities Firm (hereinafter defined) for deposit into a separate designated sub-account (the “Cash Collateral Account”) of the Securities Account (hereinafter defined) maintained with the Securities Firm pursuant to the Securities Account Control Agreement (hereinafter defined). Prior to the establishment of the Cash Collateral Account, any such additional assets and cash collateral shall be deposited by Lender into a separate designated account maintained by Lender with a financial institution selected by Lender and reasonably satisfactory to Pledgor.

(d) Sale of the Pledged Interests by Pledgor: Pledgor shall have the right to sell all or any part of the Pledged Interests at any time without the consent of Lender; provided, however, that (i) after giving effect to each such sale, a Coverage Event shall not have occurred and be continuing and (ii) one hundred percent (100%) of the Net Proceeds of each such sale shall be received in immediately available Dollars and deposited promptly upon receipt thereof into the Cash Collateral Account (or, prior to the establishment of the Cash Collateral Account, the separate designated account maintained by Lender pursuant to Section 6(c) of this Agreement).

(e) Payments out of the Cash Collateral Account: At all times that the value of the Cash Collateral Account is greater than the Adjusted Aggregate Loan Exposure, Lender shall allow Pledgor to withdraw such excess from the Cash Collateral Account. This determination shall be made by Lender (i) upon the deposit of any amount into the Cash Collateral Account and (ii) at the end of each calendar year.

(f) Sale of Pledged Interests by Lender: Notwithstanding anything in this Agreement to the contrary, Lender shall have the right to sell all or a portion of the Pledged Interests upon the occurrence of a Triggering Event under Section 9(a) or 9(i) of the Note in an amount sufficient to generate cash collateral sufficient to satisfy Borrower's obligation under the Note with respect to such Triggering Event.

(g) Dissolution of Pledgor: Pledgor and Lender acknowledge that pursuant to the terms of the Partnership Agreement of Pledgor, Pledgor will be dissolved on or about June 11, 2012 (the "Dissolution"). Upon the Dissolution, (i) the Pledged Collateral shall continue to be subject to the terms and conditions of this Agreement and, prior to the consummation of the Dissolution, Pledgor (and its partners) shall have executed and delivered to Lender any and all documents as may be reasonably requested by Lender in order to continue the pledge of the Pledged Collateral as contemplated hereby; and (ii) Pledgor shall distribute the Pledged Collateral, subject to the Partnership Agreement, among the partners as determined by the Managing General Partners of Pledgor; provided that such Pledged Collateral, as distributed shall remain subject to this Pledge Agreement.

7. Remedies.

(a) Upon the occurrence and during the continuance of (i)(A) a Triggering Event under Section 9(a) or 9(i) of the Note or (B) a Coverage Event, in each case prior to the Maturity Date or (ii) any Triggering Event at any time after the Maturity Date, Lender may, subject to subparagraph (c) of this Section 7, exercise in respect of the Pledged Collateral, to the extent permitted by applicable law, all rights and remedies of a secured party under Article 9 of the Uniform Commercial Code of the State of Illinois (the "UCC") in order to cure any such Triggering Event or Coverage Event (as the case may be), whether or not the UCC applies to the affected Pledged Collateral. Lender also, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon Pledgor or any other Person (all and each of which demands, advertisements and/or notices are hereby expressly waived), may, to the extent permitted under applicable law, forthwith collect, receive, appropriate and realize upon the Pledged Collateral, or any part thereof, and/or may forthwith sell, assign, give an option or options to purchase, contract to sell or otherwise dispose of and deliver the Pledged Collateral, or any part thereof, in one or more portions at one or more public or private sales or dispositions, at any exchange or broker's board or at any of Lender's offices or elsewhere upon such terms and conditions as Lender may deem advisable and at such prices as it may deem best, for any combination of cash and/or securities or other property or on credit or for future delivery without assumption of any credit risk, with the right to Lender upon any such sale, public or private, to purchase the whole or any part of said Pledged Interests so sold, free of any right or equity of redemption in Pledgor, which right or equity is hereby expressly waived and released. Only after so paying over such net proceeds and after the payment by Lender of any other amount required by any provision of law, including, without limitation, Section 9-615 of the UCC, need Lender account for the surplus, if any, to Pledgor. Pledgor agrees that Lender need not give more than ten (10) days' prior written notice of the time and place of any public sale or of the time after which a private sale or other

intended disposition is to take place and that such notice is reasonable notification of such matters. No notification need be given to Pledgor if it has signed after default a statement renouncing or modifying any right to notification of sale or other intended disposition. Notwithstanding the foregoing or anything to the contrary contained herein, Lender shall not have the right to cause the Loan to be prepaid in whole or in part at any time prior to the Maturity Date.

(b) In view of the fact that federal and state securities laws may impose certain restrictions on the method by which a sale of the Pledged Collateral may be effected after a Triggering Event, Pledgor agrees that after the occurrence of a Triggering Event, Lender may, from time to time, attempt to sell, or cause Pledgor to sell, all or any part of the Pledged Collateral by means of a private placement restricting the bidders and prospective purchasers to those who are qualified and will represent and agree that they are purchasing for investment only and not for distribution. In so doing, Lender may solicit offers to buy the Pledged Collateral, or any part of it, from a limited number of investors deemed by Lender, in its reasonable judgment, to be financially responsible parties who might be interested in purchasing the Pledged Collateral. If Lender solicits such offers from not less than two (2) such investors, then the acceptance by Lender of the highest offer obtained therefrom shall be deemed to be a commercially reasonable method of disposing of such Pledged Collateral; provided, that this Section does not impose a requirement that Lender solicit offers from four or more investors in order for the sale to be commercially reasonable.

(c) If at any time the Lender shall be entitled to exercise any right hereunder to sell any Pledged Interests, or, if at any time the Lender shall be entitled to exercise any right hereunder to apply any Pledged Collateral to the payment of any Obligations, and Lender shall be entitled at such time to exercise any right to sell any Pledged Interests or to apply any Pledged Collateral, in each case, pursuant to, and as such terms are defined in the Borrower Pledge Agreement, then Lender shall first sell Pledged Interests of the Borrower, or apply Pledged Collateral of the Borrower, prior to selling any Pledged Interests of the Pledgor or applying any Pledged Collateral of the Pledgor, in each case, pursuant to this Agreement.

8. Duty of Care. Lender shall not be liable for any acts, omissions, errors of judgment or mistakes of fact or law, including, without limitation, acts, omissions, errors or mistakes with respect to the Pledged Collateral, except for those arising out of or in connection with Lender's (a) gross negligence or willful misconduct, or (b) failure to use reasonable care with respect to the safe custody of the Pledged Collateral in such Person's possession. Without limiting the generality of the foregoing, Lender shall not be under any obligation to take any steps necessary to preserve rights in the Pledged Collateral against any other Persons but may do so at its option. All expenses incurred in connection therewith shall be for the sole account of Pledgor, and shall constitute part of the Obligations secured hereby.

9. No Disposition, Etc. Except as expressly set forth in Section 6 of this Agreement, Pledgor agrees that it will not sell, assign, transfer, exchange, or otherwise dispose of, or grant any option with respect to, any Pledged Collateral, nor will Pledgor create, incur or permit to exist any Lien on any of the Pledged Collateral, except for the Lien granted to Lender pursuant to this Agreement.

10. Further Assurances. Pledgor agrees that at any time, and from time to time, at the expense of Pledgor, Pledgor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that Lender may request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any Pledged Collateral. Without limiting the generality of the foregoing, Pledgor agrees to take any action as Lender may reasonably request in order to perfect the security interest granted hereunder.

11. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

12. Amendments; etc. No amendment or waiver of any provision of this Agreement nor consent to any departure by Pledgor herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

13. Successors. This Agreement and all obligations of Pledgor hereunder shall be binding upon the successors and assigns of Pledgor, and shall, together with the rights and remedies of Lender hereunder, inure to the benefit of Lender and its respective successors and assigns, except that Pledgor shall not have any right to assign its rights or obligations under this Agreement or any interest herein without the prior written consent of Lender.

14. Termination. Upon Payment in Full, this Agreement and the Lien granted hereunder shall terminate and Lender shall return the Pledged Interests to Pledgor.

15. Possession of Pledged Collateral. Pledgor shall deliver the Pledged Interests to Lender or to a Person who has agreed in writing to act as Lender's agent for such purposes, and Lender (or such other Person as the case may be) shall take possession of the Pledged Interests, in each case on the Closing Date, and Lender (or such other Person as the case may be) shall thereafter hold the Pledged Interests pursuant to the terms hereof; provided, that, notwithstanding the foregoing or anything to the contrary set forth herein, Lender agrees to deliver the Pledged Interests to a "securities intermediary" (as such term is defined in the UCC) selected by Pledgor (the "Securities Firm") and at the request and expense of Borrower to be deposited into a securities account (the "Securities

Account”) pursuant to a securities account control agreement (the “Securities Account Control Agreement”), in form and substance mutually acceptable to Pledgor and Lender, but in all events sufficient to maintain Lender’s “control” (as such term is defined in the UCC) of the Pledged Interests.

16. Survival of Representations. All representations and warranties of Pledgor contained in this Agreement shall survive the execution and delivery of this Agreement.

17. Lender Appointed Attorney-In-Fact. Pledgor hereby irrevocably appoints Lender as Pledgor’s attorney-in-fact, with full authority in the place and stead of Pledgor and in the name of Pledgor or otherwise, (a) during the continuation of a Triggering Event under Section 9(a) or 9(i) of the Note or (b) in the event of a Coverage Event prior to the Maturity Date or any Triggering Event at any time after the Maturity Date, in Lender’s discretion, to take any action and to execute and deliver any instrument that Lender deems reasonably necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, to receive, endorse and collect all instruments made payable to Pledgor representing any dividend or other distribution in respect of the Pledged Collateral or any part thereof and to give full discharge for the same and to arrange for the transfer of all or any part of the Pledged Collateral on the books of the issuer to the name of Lender or Lender’s nominee.

18. Notices. Except as otherwise provided herein, whenever it is provided herein that any notice, demand, request, consent, approval, declaration or other communication shall or may be given to or served upon any of the parties by any other party, or whenever any of the parties desires to give or serve upon any other party any other communication with respect to this Agreement, each such notice, demand, request, consent, approval, declaration or other communication shall be in writing and shall be given (and deemed to have been given) in the manner and to the respective addresses set forth for notices to the Borrower in Section 11 of the Note. Failure or delay in delivering copies of any such notice, demand, request, consent, approval, declaration or other communication to any Persons designated in the Credit Agreement to receive copies shall in no way adversely affect the effectiveness of such notice or other communication.

19. GOVERNING LAW. THE RIGHTS AND DUTIES OF PLEDGOR AND LENDER UNDER THIS AGREEMENT AND THE OTHER CREDIT DOCUMENTS, AND THE VALIDITY, INTERPRETATION AND ENFORCEMENT THEREOF, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS OF THE STATE OF ILLINOIS, WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES.

20. Delays; Partial Exercise of Remedies. No delay or omission of Lender to exercise any right or remedy hereunder or under any of the other Credit Documents, whether before or after the happening of any Triggering Event shall impair any such right or shall operate as a waiver thereof or as a waiver of any such Triggering Event. No single or partial exercise by Lender of any right or remedy shall preclude any other or further exercise thereof, or preclude any other right or remedy.

21. Entire Agreement. This Agreement and the other Credit Documents constitute the entire agreement between Pledgor and Lender (in their respective capacities as such) and supersede any prior agreements between them.

22. Nonliability of Lender. The relationship between Pledgor and Lender shall be solely that of pledgor and lender. Lender shall have no fiduciary responsibilities to Pledgor. Lender undertakes no responsibility to Pledgor to review or inform Pledgor of any matter in connection with any phase of Pledgor's business or operations.

23. Counterparts. This Agreement may be executed in any number of counterpart, each of which shall be an original, but all of which shall together constitute one and the same agreement. Any such counterpart which may be delivered by facsimile, email or similar electronic transmission shall be deemed the equivalent of an originally signed counterpart and shall be fully admissible in any enforcement proceedings regarding this Agreement.

24. Headings Descriptive. The headings of the several sections and subsections of this Agreement are inserted for convenience of reference only and shall not in any way affect the meaning or construction of any provision of this Agreement.

25. Rights Cumulative. Each of the rights and remedies of Lender under this Agreement and the other Credit Documents shall be in addition to all of its other rights and remedies under this Agreement and the other Credit Documents and applicable law, and nothing in any of the Credit Documents shall be construed as limiting any such rights or remedies.

26. Additional Agreements.

(a) The Pledgor hereby (a) agrees (i) to any modification of any term or condition of the Loan and/or to any extension or renewal of time of payment or performance by the Lender; and (ii) that no release of any other guarantor or any other person liable for payment of all or any portion of the Loan, whether by operation of law or by any act of the Lender, with or without notice to Pledgor, shall release Pledgor; (b) waives notice of any election, acceptance, demand, protest, notice of protest and notice of default, presentment for payment, diligence in collection, and to the extent permitted by law, all benefit of valuation, appraisal and all exemptions under the laws of the State of Illinois and/or any other state or territory of the United States; and (c) agrees, if the Loan is not paid in accordance with the terms hereof, to pay in addition to all other sums of money due, all costs of collection including costs of litigation and (whether or not suit is brought) the Lender's reasonable attorneys' fees and disbursements.

(b) The Pledgor's liability hereunder shall in no way be affected or impaired by any of the following (any or all of which may be done or omitted by the Lender without notice to anyone and irrespective of whether the Loan shall be increased or decreased thereby), namely: (a) any acceptance by the Lender of any security or collateral for the Loan; (b) any compromise, settlement, surrender, release, discharge, renewal, extension, alienation, exchange, sale, pledge or other disposition of, or substitution for, or

indulgence with respect to, or failure, neglect or omission to realize upon, or to enforce, exercise or perfect any lien or right of appropriation or other right with respect to the Loan or any security or collateral therefor, or any claim against any person or persons, primarily or secondarily liable thereon; (c) the granting of credit from time to time by the Lender to the Borrower in excess of the amount to which the right of recovery under this Pledge Agreement may be limited; or (d) any act of commission or omission of any kind or at any time upon the part of the Lender with respect to any matter whatsoever, and any and all other suretyship, guarantor or similar defenses under applicable law (other than (i) the Lender's gross negligence or willful misconduct and (ii) the execution and delivery by the Lender to the Pledgor of an express written release or cancellation of this Pledge Agreement). Subject to Section 7(c), the Lender shall have the right to determine how, when and what application of payments and credit, if any, whether derived from the Borrower or any other source, shall be made on the Loan, and this Pledge Agreement shall apply to secure any ultimate balance that shall remain owing to the Lender.

(c) Pledgor shall not exercise any rights that Pledgor may now have or hereafter acquire against Borrower or that arise from the existence, payment, performance or enforcement of Pledgor's obligations hereunder, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of Lender against Borrower or any other guarantor or any collateral for the Loan, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from Borrower or any other guarantor, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security solely on account of such claim, remedy or right, unless and until the Loan and all other amounts payable hereunder shall have been indefeasibly paid in full in cash and the Note and the Loan and all of the agreements ancillary thereto shall have terminated pursuant to the respective terms and provisions thereof.

(d) This Pledge Agreement shall continue in force in any event until all of the Obligations and all other amounts payable hereunder shall have been indefeasibly paid in full in cash and the Note and the other Credit Documents shall have terminated pursuant to the respective terms and provisions thereof.

*[Remainder of Page Intentionally Left Blank]
- Signature Page Follows -*

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their duly authorized trustees on the date first above written.

PLEDGOR

PORT INVESTMENTS, L.P.

By: /s/ Ronald B. Port
Ronald B. Port, its co-managing general partner

By: /s/ Roberta P. Washlow
Roberta P. Washlow, its co-managing general partner

LENDER

SLP 2003 TRUST D

By: /s/ H. George Mann
H. George Mann, as Trustee of the SLP 2003 Trust D

[Signature Page to Loan D Partnership Pledge Agreement]