

This instrument was prepared by
✓ ROBERT D. SHATTUCK, JR.
800 - 1st National Southern Natural Building
Birmingham, Alabama 35203

STATE OF ALABAMA)
 :
SHELBY COUNTY)

The amount of the indebtedness is \$300,570.20.

MORTGAGE AND SECURITY AGREEMENT

MORTGAGE AND SECURITY AGREEMENT dated as of December 30, 1983, executed and delivered by **STRATABOLT CORPORATION**, as Mortgagor (hereinafter, together with its assigns and successors in interest, referred to as "Stratabolt") to **COAL EXTRACTION TECHNOLOGIES, INC.**, as Mortgagee (hereinafter, together with its assigns and successors in interest, referred to as "CET");

RECITALS

On December 29, 1983, William M. Slaughter, a shareholder of CET, contributed to CET 30,000-1/3 shares of the outstanding stock of Stratabolt, and on December 30, 1983, CET purchased from Thomas S. Currier, Alex W. Newton, James L. North, W. Todd Robins, III, William M. Spencer, III, William D. Tynes, Jr. and James H. White, III (hereinafter together referred to as the "Selling Shareholders") 195,302-1/3 shares of outstanding stock of Stratabolt and thereby became the owner of all but 3,760-2/3 of the outstanding shares of Stratabolt. On December 30, 1983, a corporation called SSC Management Corporation (hereinafter referred to as "SSC") lent to Stratabolt the principal amount of \$173,140 and Stratabolt executed in favor of SSC a Mortgage and Security Agreement dated as of December 30, 1983 and actually executed on December 18, 1984, to which Mortgage and Security Agreement this Mortgage and Security Agreement is subordinated. On December 30, 1983, CET loaned to Stratabolt the sum of \$113,570.20 (hereinafter said \$113,570.20 is referred to as the "Loan") and it was expected thereafter that CET would lend additional sums to Stratabolt (hereinafter any additional sums loaned by CET to Stratabolt are referred to as the "Future Advances"). To evidence the Loan, a promissory note dated December 30, 1983 (hereinafter referred to as the "Note") has heretofore been executed and delivered by Stratabolt to CET. In order to induce CET to make the Loan, Stratabolt agreed to secure the same by a mortgage covering all real property owned by Stratabolt and a security interest covering certain equipment owned by Stratabolt.

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NOW, THEREFORE, THIS MORTGAGE AND SECURITY AGREEMENT

WITNESSETH:

In consideration of CET having made the Loan to Stratabolt, to induce CET to make Future Advances to Stratabolt, and to secure the prompt payment thereof, with any interest thereon, and any extensions or renewals of the same, and

HASKELL SLAUGHTER YOUNG & LEWIS
PROFESSIONAL ASSOCIATION
800 FIRST NATIONAL SOUTHERN NATURAL BUILDING
BIRMINGHAM, ALABAMA 35203
TELEPHONE (205) 261-1000
TELECOPIER (205) 324-1133
ROBERT D. SHATTUCK, JR.

to secure the payment of the Note, and further to secure the performance of the covenants, conditions and agreements contained in this Mortgage and Security Agreement (hereinafter referred to as this "Mortgage"), Stratabolt does hereby irrevocably grant, bargain, sell, confirm and convey to CET, its successors and assigns, in fee simple, with power of sale and right of entry and possession as provided below, the following described property [all of which as described in paragraphs (A) through (F) below being hereinafter referred to as the "Mortgaged Property"]:

(A) The land (the "Land") described in the attached Exhibit A which is incorporated into this instrument by reference, and all minerals, oil, gas and other hydrocarbon substances on or under the Land, as well as all development rights, air rights, water and water rights relating to the Land, and all estates, rights, titles, interest, privileges, liberties, tenements, hereditaments, and appurtenances whatsoever in any way belonging, relating or appertaining to any of the Land, and the reversion and reversions, remainder and remainders, rents, issues, profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever at law and in equity of Stratabolt of, in and to the same, including but not limited to the other rights herein enumerated;

(B) All present and future structures, buildings, improvements, appurtenances and fixtures of any kind located on the Land, whether now owned or hereafter acquired by Stratabolt, including but not limited to all electrical wiring, switch gear and junction boxes, water and gas lines, heating, air conditioning and ventilating equipment, and industrial air delivery system, and compressors, motors, tanks, valves, pipes and other equipment necessary for the operation thereof, it being intended and agreed that all such items will be conclusively considered to be a part of the real property subject to this Mortgage, whether or not attached or affixed to the Land or improvements thereon (all structures, buildings, improvements, appurtenances and fixtures described or referred to in this paragraph (B) being herein collectively referred to as the "Improvements");

(C) All appurtenances of the property and all rights of Stratabolt in and to any streets, roads or public places, easements or rights of way, relating to the Land;

(D) The items of equipment described in Exhibit B which is incorporated into this instrument by reference (said items of equipment being hereinafter collectively referred to as the "Equipment");

(E) All rents, royalties, profits and income derived from the Land, the Improvements and the Equipment, and all rights of Stratabolt under any present or future leases affecting the Land, the Improvements and the Equipment, including, but not limited to, any security deposits;

(F) All proceeds and claims arising on account of any damage to or taking of the Land, the Improvements, the Equipment or any part of any thereof, and all causes of action and recoveries for any loss or diminution in the value of the Land, the Improvements, the Equipment or any part of any thereof.

This Mortgage secures:

(1) The repayment of the Loan and any and all Future Advances and the payment and performance of all indebtedness and obligations under the Note and any promissory notes evidencing Future Advances to Stratabolt, including all extensions, renewals and modifications thereof;

(2) The payment and performance of the obligations of Stratabolt under this Mortgage;

(3) The payment of all amounts advanced or paid out by CET under any provision of this Mortgage or to protect the security of this Mortgage; and

(4) The payment and performance of the obligations of Stratabolt under all other present and future agreements executed by Stratabolt in favor of CET and relating to this Mortgage or the Note and any promissory note for Future Advances (all of which, including other present and future agreements relating thereto, are sometimes hereinafter referred to as the "Loan Documents").

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TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto CET, its successors and assigns forever, subject, however, to (i) the terms and conditions of this Mortgage, (ii) the prior lien of that certain Mortgage and Security Agreement from Stratabolt to Birmingham Trust National Bank dated November 11, 1975, that is recorded in Book 350, page 271 et seq., in the office of the Judge of Probate of Shelby County, Alabama (said Mortgage and Security Agreement being hereinafter referred to as the "First Mortgage"), (iii) the prior lien of that certain judgment against Stratabolt in favor of Kerr Lakeside, Inc. entered in the United States District Court for the Northern District of Alabama, Case No. CV 83-H-2771-S, on July 3, 1984 (said judgment being hereinafter referred to as the "Kerr Lakeside Judgment"), (iv) the prior lien of that certain judgment against Stratabolt in favor of RCH Metalworking, Inc. entered in the United States District Court for the Northern District of Alabama, Case No. CV 83-C-2408-S, on November 28, 1984 (said judgment being hereinafter referred to as the "RCH Metalworking Judgment") and (v) the prior lien of that certain Mortgage and Security Agreement from Stratabolt to SSC dated as of December 30, 1983 and actually executed and delivered on December 18, 1984, that is recorded in Book 012, Page 218, et seq., in the office of the Judge of Probate of Shelby County, Alabama (said Mortgage and Security Agreement hereinafter referred to as the "Second Mortgage");

PROVIDED, HOWEVER, that this Mortgage is upon the condition that, if Stratabolt shall pay or cause to be paid to CET the principal and interest payable with respect to the Note, and any and all Future Advances, including principal and interest in accordance with any promissory notes evidencing the same, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by Stratabolt, and shall keep, perform and observe all and singular the covenants and promises in this Mortgage, the Note and in all other Loan Documents, and any renewal, extension or modification thereof,

expressed to be kept, performed, and observed by and on the part of Stratabolt, all without fraud or delay, then this Mortgage, and all the properties, interest and rights hereby granted, bargained, and sold shall cease, determine and be void, but shall otherwise remain in full force and effect.

ARTICLE I

COVENANTS OF STRATABOLT

In addition to covenants contained elsewhere herein, Stratabolt covenants and agrees with CET as follows:

Section 1.1 Performance of Obligations. Stratabolt will pay all indebtedness and perform all obligations evidenced or secured by, or arising under, the Note, this Mortgage and the other Loan Documents in accordance with the applicable terms thereof. Further, Stratabolt will pay all indebtedness and perform all obligations evidenced or secured by, or arising under, (i) that certain promissory note of Stratabolt to Birmingham Trust National Bank dated November 11, 1975, (ii) the Kerr Lakeside Judgment, (iii) the RCH Metalworking Judgment in accordance with the applicable terms of each of the foregoing and (iv) that certain promissory note of Stratabolt to SSC dated December 30, 1983.

Section 1.2 Warranty of Title. Stratabolt covenants that it is lawfully seized of an indefeasible estate in fee simple in the real property hereby mortgaged and has good and absolute title to all existing personal property hereby mortgaged and has good right, full power and lawful authority to sell, convey and mortgage the same in the manner and form aforesaid; that the same is free and clear of all liens, charges, and encumbrances whatsoever, including, as to the personal property and fixtures, conditional sales contracts, chattel mortgages, security agreements, and anything of a similar nature, except for the prior lien of the First Mortgage, the prior liens of the Kerr Lakeside Judgment and the RCH Metalworking Judgment and the prior lien of the Second Mortgage; and that Stratabolt will warrant and forever defend the title thereto unto CET, its successors and assigns, against the lawful claims of all persons whomsoever.

Section 1.3 Further Assurances. Stratabolt will execute and deliver to CET on demand and at the cost and expense of Stratabolt any documents and instruments of further assurance reasonably required or desired by CET to effectuate or perfect, or to continue and preserve, (i) the obligations of CET under the Note, this Mortgage or any other Loan Documents and (ii) the lien of this Mortgage as a lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Stratabolt, prior and superior to all other liens and encumbrances except

the prior lien of the First Mortgage and the prior liens of the Kerr Lakeside Judgment and the RCH Metalworking Judgment and the prior lien of the Second Mortgage. Upon any failure of Stratabolt to do so, CET may execute and record any such documents or instruments for and in the name of Stratabolt, and Stratabolt hereby irrevocably appoints CET the agent and the attorney-in-fact of Stratabolt to do so. The lien of this Mortgage will automatically attach, without the necessity of any further actions on the part of Stratabolt or CET, to all property hereafter acquired by Stratabolt which is intended by the granting clauses hereof to be subject to this Mortgage.

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Section 1.4 Security Agreement Covering Personal Property. This Mortgage constitutes a security agreement with respect to all personal property in which CET is granted a security interest by the granting clauses of this Mortgage, and CET shall have all of the rights and remedies of a secured party under the Alabama Uniform Commercial Code, as well as all other rights and remedies available at law or in equity. Stratabolt hereby agrees to execute and deliver on demand and, if legally appropriate or necessary, to file with the proper filing officer or office such security agreements, financing statements, continuation statements or other instruments as CET may request or require in order to impose, perfect, or continue the perfection of, the lien or security interest created hereby. Stratabolt hereby irrevocably constitutes and appoints CET as its attorney-in-fact to execute, deliver and file such security agreements, financing statements, continuation statements or other instruments in the event that Stratabolt fails or refuses to do so. Upon the occurrence of any default hereunder, CET shall have the right to cause any of the Mortgaged Property which is personal property and subject to the security interest of CET hereunder to be sold at any one or more public or private sales as permitted by applicable law, and CET shall further have all other rights and remedies, whether at law, in equity, or by statute, as are available to secured creditors under applicable law. Any such disposition may be conducted by an employee or agent of CET. Any person, including both Stratabolt and CET, shall be eligible to purchase all or any part of such property at such disposition.

Section 1.5 Payment of Legal Expenses. Stratabolt will pay or reimburse CET for all reasonable attorney's fees, costs and expenses incurred by CET in any action, proceeding or dispute of any kind in which CET is made a party, or appears as party plaintiff or defendant, and which arises under the Note, this Mortgage or any other of the Loan Documents or which arises in connection with the use or operation of the Mortgaged Property by Stratabolt, including, but not limited to, the foreclosure of this Mortgage, any condemnation action involving the Mortgaged Property, or any action to protect the Mortgaged Property and the security hereof, or any situation where CET employs an attorney to protect or enforce rights of CET hereunder, whether or not legal proceedings are commenced or involved. All amounts incurred, paid or disbursed by CET pursuant to this section shall constitute additional indebtedness secured by this Mortgage.

Section 1.6 Taxes and Liens. Stratabolt will pay, as and when the same shall become due and payable, the following:

(a) all taxes and governmental charges of any kind whatsoever that may lawfully be assessed or levied against or with respect to the Mortgaged Property which, if not paid, would become a lien thereon prior to or on a parity with the lien of this Mortgage;

(b) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Mortgaged Property; and

(c) all claims or judgments giving rise to a lien or charge on the Mortgaged Property which, if not paid or discharged, would be prior to the lien of this Mortgage.

Stratabolt may in good faith contest any such taxes, assessments, charges, claims or judgments and, in the event of any such contest, may permit the taxes, assessments, charges, claims or judgments so contested to remain unpaid during the period of such contest and any appeal therefrom, unless by such action the lien of this Mortgage as to any part of the Mortgaged Property shall be materially endangered, or the Mortgaged Property or any part thereof shall become subject to loss or forfeiture or subject to a lien or charge thereon prior to or on a parity with the lien of this Mortgage, in any of which cases such taxes, assessments, charges claims or judgments shall (unless they are bonded or are superseded in a manner satisfactory to CET) be paid prior to their becoming delinquent.

Section 1.7 Insurance. At all times while this Mortgage shall be in effect, Stratabolt will procure for, deliver to (if requested by CET), and maintain for the benefit of, CET insurance policies insuring the Mortgaged Property against fire, lightning, windstorm, flood, vandalism and malicious mischief, and such other insurable hazards, casualties and contingencies as are covered by customary extended coverage protection in the State of Alabama. The insurance coverage provided by such policies shall not be less than the total amount of outstanding indebtedness at any time secured by the First Mortgage, the Second Mortgage and this Mortgage, plus the unpaid amounts due with respect to the Kerr Lakeside Judgment and the RCH Metalworking Judgment, or if insurance to such extent is not available, to the extent of the full insurable value of the Mortgaged Property (as determined by a recognized insurer acceptable to CET). The form of such policies and the companies issuing them shall be acceptable to CET. All policies shall name CET as an insured to the extent of the indebtedness secured by this Mortgage and shall contain standard mortgage clauses providing for the payment to CET of all recoveries to the extent of its interest therein. At least fifteen (15) days prior to the expiration date of all such policies, evidence of the renewal or replacement thereof satisfactory to CET shall be delivered to CET. Upon request by CET, Stratabolt shall deliver to CET receipts evidencing the payment of all premiums due with respect to such insurance policies. Anything herein to the contrary notwith-

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standing, any insurance required hereby may be evidenced by a blanket policy covering risks and insured parties in addition to those hereby required to be covered, but only if appropriate allocation certificates and loss payable endorsements are furnished to CET with respect to the insurance coverage required hereby. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment of the indebtedness and obligations secured hereby, all right, title and interest of Stratabolt in and to all insurance policies then in force shall pass to the purchaser or grantee, subject to the prior rights of the mortgagees under the First Mortgage, the Second Mortgage and the judgment creditors under the Kerr Lakeside Judgment and the RCH Metalworking Judgment.

Subject to the prior rights of the mortgagees under the First Mortgage, the Second Mortgage and the prior rights of the judgment creditors under the Kerr Lakeside Judgment and the RCH Metalworking Judgment, CET is hereby authorized and empowered, at its option, to adjust or compromise any losses under any insurance policies covering the Mortgaged Property and to collect and receive the proceeds from any such policies to the extent of its interest therein. Each insurance company is hereby authorized and directed to make payment for all such losses directly to CET, instead of to Stratabolt and CET jointly, but only if and to the extent that payment of such losses to CET does not violate any prior rights or claims of the mortgagees under the First Mortgage and the Second Mortgage or the judgment creditors under the Kerr Lakeside Judgment and the RCH Metalworking Judgment. After deducting from said insurance proceeds any expenses incurred by CET in the collection or handling of said proceeds, CET may apply the net proceeds, at its option, either toward repairing, replacing or restoring the Improvements or the Equipment, or as a credit against such indebtedness secured by this Mortgage as may be selected by CET, whether then matured or to mature in the future, or at the option of CET, such sums either wholly or in part may be paid over to Stratabolt to be used to repair, replace or restore the Improvements or the Equipment or for any other purpose satisfactory to CET without affecting the lien of this Mortgage for the full indebtedness secured hereby before such payment occurred. CET shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

Section 1.8 Condemnation. Subject to the prior rights of the mortgagees under the First Mortgage and the Second Mortgage and the prior rights of the judgment creditors under the Kerr Lakeside Judgment and the RCH Metalworking Judgment, all compensation, awards, damages, payments, claims and rights with respect to the condemnation of the Mortgaged Property or any part thereof are hereby assigned to CET, and CET is hereby authorized, at its option, to commence, appear in and prosecute, in its own or Stratabolt's name, any action or proceeding relating to any condemnation. As used herein, "condemnation" shall include any taking by any governmental authority or person acting under governmental authority, any damage caused by such taking to property not taken, and any sale or other transfer made under either the threat or the fact of the exercise of governmental authority. Subject to the prior rights of the mortgagees under the First Mortgage and the Second Mortgage and the prior rights of the judgment

creditors under the Kerr Lakeside Judgment and the RCH Metalworking Judgment, all compensation, awards, damages and payments with respect to the condemnation of the Mortgaged Property shall be paid to CET, which, after deducting therefrom all its expenses, including attorney's fees, may release any moneys so received by it without affecting the lien of this Mortgage or may apply the same, in such manner as CET shall determine, to the reduction of the indebtedness secured hereby, and any balance of such moneys then remaining shall be paid to Stratabolt.

Section 1.9 Care of the Mortgaged Property.

(a) Stratabolt will preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, will not do or suffer to be done anything that will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof, and will not do or suffer to be done anything that will violate any policy of insurance carried with respect to the Mortgaged Property.

(b) Without the prior written consent of CET, none of the Improvements may be demolished or materially altered if as a consequence thereof the operating utility or market value of the Improvements would be materially impaired or reduced.

(c) Without the prior written consent of CET, Stratabolt will not seek, make or consent to any change in the zoning or conditions of use of the Land and the Improvements that would materially impair or reduce the operating utility or market value thereof.

(d) If the Mortgaged Property or any part thereof is damaged as the result of fire or other casualty, Stratabolt will give immediate written notice of the same to CET.

(e) The authorized representatives of CET shall be entitled to enter upon the Land and to inspect the Mortgaged Property or any part thereof at any time during normal business hours.

(f) Stratabolt will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof; provided, however, that Stratabolt may in good faith contest the validity of any such laws, ordinances, rules and regulations or the application thereof to the Mortgaged Property and in the event of any such contest defer compliance therewith during the period of such contest and the pendency of any appeal in connection therewith, unless by such action the rights or interests of CET with respect to the Mortgaged Property or any part thereof shall be materially endangered or impaired.

(g) If all or any part of the Mortgaged Property shall be damaged as the result of fire or other casualty, Stratabolt will promptly restore the Mortgaged

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Property to the equivalent of its original condition or to a condition having a lower market value than the original condition, provided that such lower market value (as determined by an independent appraiser acceptable to CET) is greater than all outstanding indebtedness then secured by this Mortgage, the First Mortgage and the Second Mortgage, plus the outstanding balances of the Kerr Lakeside Judgment and the RCH Metalworking Judgment, taking into account all reductions of such indebtedness resulting from the application of insurance proceeds. If a part of the Improvements shall be physically damaged through condemnation, Stratabolt will promptly restore, repair or alter the remaining Improvements in a manner that will reasonably continue the commercial utility thereof.

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Section 1.10 Performance by CET of Obligations Not Performed by Stratabolt. If Stratabolt shall default (i) in the payment of any tax, lien, assessment or charge levied or assessed against the Mortgaged Property or any part thereof, (ii) in the payment of any premium due with respect to any insurance policy covering the Mortgaged Property, (iii) in the procurement of insurance coverage required hereby, or (iv) in the performance or observance of any other covenant or condition of this Mortgage, the First Mortgage, the Second Mortgage, the Kerr Lakeside Judgment or the RCH Metalworking Judgment, then CET, at its option, may perform or observe the same, and all amounts incurred, paid or disbursed by CET in connection therewith shall be an additional indebtedness of Stratabolt secured by this Mortgage. In determining the necessity for any such actions, and of the amount necessary to be paid with respect to any such tax, lien, assessment, charge or premium, CET shall be obligated to act in good faith with the advice of counsel and according to the standards of a reasonably prudent man. CET is hereby empowered to enter upon, and to authorize others to enter upon, the Land and to inspect the Mortgaged Property or any part thereof for the purpose of performing, or observing the conditions with respect to, any covenant, condition or term that may be in default without thereby becoming liable to Stratabolt or any person in possession holding under Stratabolt.

Section 1.11 Legal Proceedings Involving CET. Stratabolt will, at its own expense, appear in and defend any action or proceeding that might affect the security of CET or the rights or powers of CET or that purports to affect any of the Mortgaged Property. If Stratabolt fails to perform any of its covenants or agreements contained in this Mortgage, or if any action or proceeding of any kind (including but not limited to any bankruptcy, insolvency, arrangement, reorganization or other debtor-relief proceeding) is commenced which might affect the interest of CET in the Mortgaged Property or the right of CET to enforce its security, then CET may, at its option, make any appearances, disburse any amounts and take any actions that may be necessary or desirable to protect or enforce this Mortgage or to remedy the failure of Stratabolt to perform its covenants (without, however, waiving any default of the Stratabolt). Stratabolt agrees to pay all reasonable expenses of CET thus incurred (including but not limited to fees and disbursements of counsel). All amounts incurred, paid or disbursed by CET pursuant to this section shall constitute additional indebtedness of Stratabolt secured by this

Mortgage. This section shall not be construed to require CET to incur any expenses, make any appearances, or take any actions.

Section 1.12 Additional Indebtedness Arising From Actions of CET. Any amounts paid or disbursed by CET pursuant to the exercise of its rights under any of Sections 1.5, 1.10 and 1.11 hereof, as well as all other amounts advanced or disbursed by CET that constitute additional indebtedness secured by this Mortgage, shall bear interest at the prime rate of AmSouth Bank N.A., from time to time in effect while such additional indebtedness remains unpaid and shall be payable by Stratabolt upon demand by CET.

Section 1.13 Financial Records. Stratabolt will, at all times, keep full, true, and accurate financial records sufficient to reflect correctly the results of its business activities and to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. CET will have the right to examine, copy and audit Stratabolt's financial records at all reasonable times. Stratabolt will deliver to CET, at such times as may be requested by CET, but not more frequently than at three-month intervals, a balance sheet and an income statement for Stratabolt prepared in accordance with generally accepted accounting principles, which balance sheet and income statement shall be certified either by the chief executive or financial officer of Stratabolt or by an independent certified public accounting firm; provided, however, that Stratabolt shall not be required to furnish a balance sheet and income statement certified by an independent certified public accounting firm more often than once each fiscal year and in any event not earlier than ninety (90) days after the close of the fiscal year reported in such balance sheet and income statement.

Section 1.14. Sale or Disposition of Mortgaged Property. Stratabolt will not sell, lease, transfer or otherwise dispose of all or any part of the Mortgaged Property, either in a single transaction or in a series of related transactions; provided, however, that Stratabolt may, without violating the agreements contained in this section,

(a) sell or otherwise dispose of the Equipment in accordance with the provisions of Section 1.15 hereof,

(b) sell, lease, transfer or otherwise dispose of all or substantially all the Mortgaged Property if the sale, lease, transfer or other disposition of all or substantially all the Mortgaged Property is in connection with the sale, lease, transfer or other disposition of all or substantially all the assets of Stratabolt under the conditions specified in and meeting the requirements of Section 1.16 hereof, or

(c) without notice to or consent of CET, sell, lease, transfer or otherwise dispose of all or any part of the Mortgaged Property to one or

more corporations a majority of the outstanding capital stock of which is owned, directly or indirectly, by Stratabolt or by the owner or owners of a majority of the outstanding capital stock of Stratabolt.

(d) without notice to or consent of CET, impose any further or additional lien on the Mortgaged Property or any part thereof if the priority of the lien of this Mortgage is recognized in the instruments creating or evidencing such further or additional lien.

Section 1.15 Removal and Disposition of the Equipment. So long as an Event of Default (as defined in Section 2.1 hereof) shall not have occurred and be continuing, Stratabolt, without any notice to or release or consent by CET, may remove from the Land or Improvements any items of the Equipment which belong to one of the following categories:

(i) items of Equipment that are functionally or structurally independent of other items of Equipment and that have an individual book value (determined on the basis of an appraisal made by a reputable dealer in used industrial equipment) of \$2,000 or less as of the respective dates of their removal from the Land or Improvements; or

(ii) items of Equipment removed while any of the indebtedness secured by this Mortgage remains unpaid that have individual market values (determined on the basis of an appraisal made by a reputable dealer in used industrial equipment) greater than \$2,000 as of the respective dates of their removal and an aggregate book value (determined as of the respective dates of their removal) not exceeding \$20,000.

Any item of the Equipment belonging to either of such categories that is removed from the Land or Improvements pursuant to the provisions of this section shall be free from the lien of this Mortgage and may be used by Stratabolt in its other business operations or sold or disposed of in any way Stratabolt may see fit without any responsibility or accountability to CET therefor. If at any time Stratabolt shall not have exhausted its right to remove items of the Equipment belonging to the category described in clause (ii) above, it may, at its own election, remove any item of the Equipment in accordance with the provisions of the next paragraph of this section and thereby avoid having the market value of such item count against the aforesaid limit of \$20,000 for the aggregate market value of items of Equipment belonging to such category that may be removed pursuant to the provisions of this paragraph without complying with the next paragraph of this section.

In addition to the right to remove items of the Equipment pursuant to the provisions of the first paragraph of this section, Stratabolt may, if no Event of Default shall have occurred and be continuing, remove any item of the Equipment from the Land or Improvements and use such item in its other business operations or sell or otherwise dispose of the same in any way Stratabolt may see fit, free of the

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lien of this Mortgage and without Stratabolt having any responsibility or accountability to CET therefor, provided that Stratabolt substitutes and installs in or about the Land or Improvements (whether before, on or after the date of such removal but in no event later than three months after the date of such removal) other equipment or other personal property not then constituting part of the Equipment and having a cost to Stratabolt, if new, or a market value (determined on the basis of an appraisal by a reputable dealer in used industrial equipment) which is not substantially less than the market value (determined as aforesaid) of the item of Equipment so removed, it being understood that all such substituted equipment or other personal property shall be free of all liens and encumbrances (other than purchase money liens if the equity of Stratabolt therein is greater than the market value of the item of Equipment for which the substitution is to be made), shall be and become a part of the Equipment subject to the lien of this Mortgage and shall be held by Stratabolt on the same terms and conditions as the items originally constituting the Equipment. Stratabolt shall not exercise the right to remove items of the Equipment pursuant to any of the provisions of this section in such manner as to materially impair the operating utility of the Mortgaged Property as a plant for the manufacture of mine roof bolts, arches, overcasts, anchors and other equipment relating to roof support in underground mines.

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Section 1.16 Agreement to Maintain Corporate Existence. So long as any of the indebtedness secured by this Mortgage shall remain unpaid, Stratabolt will maintain its corporate existence, will not dissolve or sell, lease, transfer or otherwise dispose of all or substantially all its assets (either in a single transaction or in a series of related transactions), and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that it may, without violating the agreements contained in this section, consolidate with or merge into another corporation organized under the laws of one of the states of the United States of America (a "United States Corporation"), permit one or more other United States Corporations to consolidate with or merge into it, or sell, lease, transfer or otherwise dispose of all or substantially all its assets to another United States Corporation, but only if the following conditions are met:

(a) the corporation surviving or resulting from such consolidation or merger (if it be one other than Stratabolt) or the corporation to which such sale, lease, transfer or other disposition shall be made, as the case may be (the "Successor Corporation"), (i) expressly assumes in writing all the obligations of Stratabolt contained in the Loan Documents, with the same effect as if the Successor Corporation had been the original party to such documents in lieu of Stratabolt, (ii) furnishes to CET, promptly following such consolidation or merger or such sale, lease, transfer or other disposition, appropriately certified or fully executed copies of the writing by which the Successor Corporation so assumes such obligations and (iii) furnishes to CET an opinion of counsel (who, although selected by Stratabolt, shall be satisfactory to CET) which states in substance that the Successor Corporation is a duly organized and existing United

States Corporation and has by such writing duly and validly assumed, and is bound by, all the obligations of Stratabolt contained in the Loan Documents;

(b) the Successor Corporation (irrespective of whether or not it is Stratabolt) shall have (either immediately following such consolidation or merger or such sale, lease, transfer or other disposition or within thirty days thereafter as the result of the subsequent implementation of any transaction of which such consolidation or merger or such sale, lease, transfer or other disposition forms a part) a Tangible Net Worth (as hereinafter defined) complying with whichever of the following conditions shall be applicable:

(i) if prior to such consolidation or merger or such sale, lease, transfer or other disposition, Stratabolt had a negative Tangible Net Worth, the Successor Corporation shall be required to have a positive Tangible Net Worth, unless a majority of the outstanding capital stock of the Successor Corporation shall be owned, directly or indirectly, by Stratabolt or by the owner or owners of a majority of the outstanding capital stock of Stratabolt, in which case the Tangible Net Worth of the Successor Corporation need not be greater than that of Stratabolt (as shown by an audited balance sheet or a balance sheet prepared in accordance with generally accepted accounting principles and certified as correct by the chief executive officer of Stratabolt) within one month prior to the consummation of such consolidation or merger or such sale, lease, transfer or other disposition; or

(ii) if prior to such consolidation or merger or such sale, lease, transfer or other disposition, Stratabolt had a positive Tangible Net Worth, the Successor Corporation shall be required to have a Tangible Net Worth not less than that of Stratabolt (as shown by an audited balance sheet or a balance sheet prepared in accordance with generally accepted accounting principles and certified as correct by the chief executive officer of Stratabolt) within one month prior to the consummation of such consolidation or merger or such sale, lease, transfer or other disposition;

(c) immediately after giving effect to such merger or consolidation or such sale, lease, transfer or other disposition, no event which constitutes an Event of Default (as defined in Section 2.1 hereof), or which would become an Event of Default with the passage of time or the giving of notice or both, shall have occurred and be continuing; and

(d) there shall have been delivered to CET a certificate signed by the President of Stratabolt or the Successor Corporation, as the case may be, and stating that such merger, consolidation, sale, lease, transfer or other disposition complies with the provisions of this section and that

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all conditions precedent herein provided for relating to such transaction have been complied with.

Upon any merger or consolidation or any sale, lease, transfer or other disposition complying with the provisions of this section, the Successor Corporation shall succeed to, and be substituted for, Stratabolt for all purposes under this Mortgage, with the same effect as if the Successor Corporation had been named as Stratabolt herein. If, after a sale or transfer by Stratabolt of all or substantially all its assets to another United States Corporation under the circumstances described in the preceding provisions of this section, Stratabolt does not thereafter dissolve, it shall not have any further rights or obligations hereunder.

"Tangible Net Worth", when used with reference to Stratabolt or a Successor Corporation, means, as of the date of any determination thereof, the amount by which the sum of the amounts then appearing on the consolidated balance sheet of such corporation and its consolidated subsidiaries (if any) as (i) the par value or stated value of all outstanding capital stock and (ii) capital, paid-in and earned surplus plus earnings retained in the business shall exceed the sum, without duplication, of (A) any deficit in any surplus account, (B) the aggregate amount of all assets then appearing on such balance sheet which under generally accepted accounting principles would be classified as intangibles, including, without limitation, treasury stock, unamortized debt discount and expense, good will, trademarks, trade names, patents and deferred charges, (C) the aggregate amount of all write-ups in the book value of assets shown on the consolidated balance sheet of such corporation to the extent that such write-ups exceed the respective costs of the assets so written-up, and (D) the balance sheet value of any obligation due either such corporation if the terms thereof permit the payment of such obligation to be subordinated to the payment of any other indebtedness of the person owing such obligation, all as determined in accordance with generally accepted accounting principles.

Section 1.17 Qualification in Alabama. So long as the any indebtedness secured by this Mortgage shall remain unpaid, Stratabolt will continuously remain qualified to do business in the State of Alabama. If, in accordance with the permissive provisions of Section 1.16 hereof, Stratabolt should merge into a corporation not organized and existing under the laws of the State of Alabama, should consolidate with one or more corporations under circumstances wherein the consolidated corporation is not a corporation organized and existing under the laws of the State of Alabama or should transfer all or substantially all its assets to a corporation not organized under the laws of the State of Alabama, it will cause the corporation into which it merged, the corporation resulting from such consolidation or the corporation to which all or substantially all its assets were transferred, as the case may be, to qualify to do business in the State of Alabama and to remain so qualified at all times while any indebtedness secured by this Mortgage shall remain unpaid.

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Section 1.18 No Transfer of Mine Roof Support Business. Stratabolt represents and acknowledges that it is in the business of manufacturing and selling mine roof bolts, arches, overcasts, anchors and other equipment relating to roof support in underground mines (such business as now conducted being herein referred to as the the "Mine Roof Support Business"). Except for transactions permitted by and complying with the provisions of any of Sections 1.14, 1.15 and 1.16 hereof, Stratabolt will not, without the prior written consent of CET, sell, lease, transfer or otherwise convey all or any part of the Mine Roof Support Business now or hereafter conducted by Stratabolt to any other party, including any subsidiary or parent corporation or other person related to or affiliated with Stratabolt. Further, Stratabolt will not abandon or discontinue the Mine Roof Support Business or any part thereof in connection with a plan or series of related transactions pursuant to which any person, corporation or other entity controlled by, in control of, or under common control with, Stratabolt shall conduct a business carrying on or competing with the business so abandoned or discontinued by Stratabolt, with the result that such abandoned or discontinued business has been or will be transferred, in economic effect, to such person, corporation or other entity. Nothing contained in this paragraph shall be construed to prohibit Stratabolt from purchasing, instead of manufacturing itself, any products or components thereof sold or to be sold by Stratabolt in connection with the Mine Roof Support Business, provided that such purchased products or components are obtained from third parties that are not controlled by, in control of, or under common control with, Stratabolt.

ARTICLE II

EVENTS OF DEFAULT AND REMEDIES

Section 2.1 Events of Default. The following events, occurrences and conditions shall constitute "defaults" or "Events of Default" under this Mortgage:

(a) failure by Stratabolt to make any payment required by the Note, any note evidencing any Future Advance, or this Mortgage when due and continuation of such failure for a period of fifteen (15) days;

(b) failure by Stratabolt to perform or observe any agreement, covenant or condition required by this Mortgage to be performed or observed by it [other than the agreements and covenants referred to in the preceding clause (a) of this section], which failure shall have continued for a period of sixty (60) days after written notice specifying, in reasonable detail, the nature of such failure and requiring Stratabolt to perform or observe the agreement, covenant or condition with respect to which it is delinquent shall have been given to Stratabolt by CET, unless (i) CET shall agree in writing to an extension of such period prior to its expiration, or (ii) during such sixty (60) day period or any extension thereof, Stratabolt has commenced and is diligently pursuing appropriate corrective action, or (iii) Stratabolt is by reason of force majeure at the

time prevented from performing or observing the agreement, covenant or condition with respect to which it is delinquent;

(c) any warranty, representation or other statement by or on behalf of Stratabolt contained in any of the Loan Documents, or in any other document furnished by Stratabolt in connection with the Loan, being false or misleading in any material respect at the time made;

(d) the dissolution or liquidation of Stratabolt under circumstances other than those permitted by the provisions of Section 1.16 hereof in the case of the merger of Stratabolt into another United States Corporation, the consolidation of Stratabolt with another United States Corporation or the dissolution of Stratabolt following a transfer of all or substantially all its assets to one or more United States Corporations;

(e) the occurrence of a default or an event of default with respect to the performance of any of the obligations of Stratabolt under the First Mortgage, the Second Mortgage, the Kerr Lakeside Judgment and the RCH Metalworking Judgment;

(f) institution by Stratabolt of proceedings to be adjudicated a bankrupt or insolvent, or consent by Stratabolt to the filing of a bankruptcy or insolvency proceeding against it, or the filing by Stratabolt of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or as amended, or any other applicable federal or state bankruptcy or other similar law, or consent by Stratabolt to the institution of proceedings thereunder or to the filing of any such petition, or consent by Stratabolt to the appointment of, or the taking of, possession of any of its property by, a receiver, liquidator, trustee, custodian or assignee in bankruptcy or insolvency of Stratabolt or for all or a major part of its property, or an assignment by Stratabolt for the benefit of its creditors, or a written admission by Stratabolt of its inability to pay its debts generally as they become due, or the taking of any corporate action by Stratabolt in furtherance of any of the foregoing events or actions; or

(g) the entry of a decree or order by a court of competent jurisdiction for relief in respect of Stratabolt or adjudging Stratabolt to be a bankrupt or insolvent or approving as properly filed a petition seeking reorganization of Stratabolt or the arrangement, adjustment or composition of its obligations under Title 11 of the United States Code, as now constituted or as amended, or any other applicable federal or state bankruptcy or other similar law, which decree or order shall have continued undischarged or unstayed for a period of sixty (60) days; or the entry of a decree or order of a court of competent jurisdiction for the appointment of a receiver, liquidator, trustee, custodian or assignee in bankruptcy or insolvency for Stratabolt or for all or a major part of its property, or for the winding up or liquidation of its affairs, which decree

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or order shall have remained in force undischarged or unstayed for a period of sixty (60) days.

The term "force majeure" as used herein means acts of God or the public enemy, strikes, lockouts, work slowdowns or stoppages or other labor disputes, insurrections, riots or other civil disturbances, orders of the government of the United States of America or of any state of the United States of America or of any of the departments, agencies, political subdivisions or officials of the United States of America or of any state thereof, or orders of any other civil or military authority, or partial or entire failure of public utilities, or any other condition or event beyond the reasonable control of Stratabolt. Stratabolt will, to the extent that it may lawfully do so, use its best efforts to remedy, alleviate or circumvent any cause or causes preventing it from performing its agreements and covenants hereunder; provided, however, that the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of Stratabolt, and Stratabolt shall not be required to settle strikes, lockouts and other labor disputes by acceding to the demands of the opposing party or parties when such course is in its judgment against its best interests.

Section 2.2 Remedies on Default. If a default or an Event of Default hereunder shall have occurred and be continuing, CET may, at its continuing option, and without notice to or demand upon Stratabolt, but subject to the prior rights of the mortgagees under the First Mortgage, the Second Mortgage and the judgment creditors under the Kerr Lakeside Judgment and the RCH Metalworking Judgment:

(a) declare any or all indebtedness secured by this Mortgage to be immediately due and payable;

(b) take possession of the Mortgaged Property, in person or by agent or by court-appointed receiver, and take any and all actions which may be desirable in the judgment of CET to manage and operate the Mortgaged Property; and CET may apply any rents, royalties, income or profits derived from the Mortgaged Property against the indebtedness secured by this Mortgage, without in any way curing or waiving any default by Stratabolt;

(c) bring a court action at law or in equity to foreclose this Mortgage or to enforce its provisions or other obligations of Stratabolt, either or both concurrently or otherwise, and one action or suit shall not abate or be a bar to or waiver of the right of CET to institute or maintain the other, provided that CET shall have only one payment and satisfaction of any indebtedness secured by this Mortgage;

(d) cause all or any part of the Mortgaged Property to be sold under the power of sale granted by this Mortgage in any manner permitted by applicable law;

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(e) exercise any other right or remedy available under law or in equity;

(f) sell the Mortgaged Property at public outcry to the highest bidder for cash in front of the court house door in Shelby County, Alabama, either in person or by auctioneer, after having first given notice of the time, place and terms of sale by publication once a week for three (3) successive weeks prior to said sale in some newspaper published in said county, and, upon payment of the purchase money, CET or any person conducting the sale for CET is authorized to execute and deliver to the purchaser at said sale a deed or bill of sale, as appropriate, to the property so purchased. CET may bid at said sale and, if and to the extent that CET is the highest bidder for the Mortgaged Property or any part thereof, it may purchase the same. At any foreclosure sale the Mortgaged Property may be offered for sale and sold as a whole without first offering it in any other manner, or such property may be offered for sale and sold in any other manner CET may elect in its sole discretion.

Section 2.3 Application of Proceeds of Sale of Mortgaged Property.
The proceeds of any sale of the Mortgaged Property pursuant to this Mortgage shall be applied in the following manner:

FIRST: payment of the costs and expenses of the sale, including, but not limited to, the legal fees and disbursements of CET, title charges and transfer taxes, all other expenses, liabilities and advances of CET, together with interest on all advances made by CET at the prime rate of AmSouth Bank, N.A., from time to time in effect while such advances shall remain unpaid;

SECOND: payment of all amounts expended by CET under the terms of this Mortgage and not yet repaid, together with interest on such amounts at the prime rate of AmSouth Bank, N.A., from time to time in effect while such amounts shall remain unpaid;

THIRD: payment of the indebtedness and obligations of Stratabolt secured by this Mortgage in any order that CET shall choose; and

FOURTH: the remainder, if any, to the person or persons appearing of record to be the owner of the Mortgaged Property.

Section 2.4 Sale of the Equipment. All expenses of repossessing, holding, preparing for sale or selling the Equipment or any other personal property constituting part of the Mortgaged Property shall be borne by Stratabolt and shall include the attorneys' fees and legal expenses of CET. Subject to the prior rights of the mortgagees under the First Mortgage and the Second Mortgage and the judgment creditors under the Kerr Lakeside Judgment and the RCH Metalworking Judgment, Stratabolt, upon demand by CET, shall assemble such personal property and make it

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available to CET in the building located on the Land, which place is hereby deemed to be reasonably convenient to CET and Stratabolt. CET shall give Stratabolt at least five (5) days' prior written notice of the time and place of any public sale or other disposition of such property or of the time when, or after which, any private sale or other intended disposition is to be made, and if such notice is given to Stratabolt, as the same is provided for the giving of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to Stratabolt.

Section 2.5 Direction of Proceedings. Stratabolt waives all rights to direct the order or manner in which any of the Mortgaged Property shall be sold in the event of any sale under this Mortgage, and also any right to have any of the Mortgaged Property marshalled upon any sale. CET may, in its discretion, sell all the personal and real property together or in parts, in one or more sales, and in any sequence CET shall select.

Section 2.6 Remedies Cumulative. No right, power, or remedy conferred upon or reserved to CET by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute. No delay or failure by CET to exercise any right or remedy under this Mortgage will be construed to be a waiver of that right or remedy or of any default by Stratabolt. CET may exercise any one or more of its rights and remedies at its option without regard to the adequacy of its security.

Section 2.7 Appointment of Receiver. On any default, CET, upon application to a court of competent jurisdiction, shall be entitled, without notice and without regard to the adequacy of any security for the indebtedness hereby secured or the solvency of any party bound for its payment, to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect the rents, profits, issues, and revenues thereof. Stratabolt will pay to CET upon demand all expenses, including receiver's fees, attorney's fees, costs and agent's compensation, incurred pursuant to the provisions of this section, and all such expenses shall be additional indebtedness secured by this Mortgage.

Section 2.8 Waiver of Exemption. Stratabolt waives all rights of exemption pertaining to the Mortgaged Property, whether constituting real or personal property, as to any indebtedness secured by, or that may be secured by, this Mortgage, and Stratabolt waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the Mortgaged Property or any part thereof be set off against any part of the indebtedness secured hereby.

Section 2.9 Delay or Omission No Waiver. No delay or omission of CET or of any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to CET may be exercised from time to time and as often as may be deemed expedient by CET.

Section 2.10 No Waiver of One Default to Affect Another, etc. No waiver of any default or Event of Default hereunder shall extend to or shall affect any subsequent or any other then existing default or Event of Default or shall impair any rights, powers or remedies consequent thereon. If CET (i) grants forbearance or an extension of time for the payment of any indebtedness secured hereby, (ii) takes other or additional security for the payment thereof, (iii) waives or does not exercise any right granted herein or in the Note, (iv) releases any part of the Mortgaged Property from the lien of this Mortgage or otherwise changes any of the terms of the Note or this Mortgage, or (v) makes or consents to any agreement subordinating the lien or charge hereof, any such act or omission shall not release, discharge, modify, change, or affect the original liability under the Note, this Mortgage or otherwise of Stratabolt or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude CET from exercising any right, power or privilege herein granted or intended to be granted in the event of any other default then made or of any subsequent default, nor, except as otherwise expressly provided in an instrument or instruments executed by CET, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, CET, without notice to any person or corporation is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings of Stratabolt hereunder.

Section 2.11 Discontinuance of Proceedings - Position of Parties Restored. In case CET shall commence proceedings to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to CET, then and in every such case, Stratabolt and CET shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of CET shall continue as if no such proceeding had been taken.

ARTICLE III
MISCELLANEOUS

Section 3.1 Prior Indebtedness. Within ten (10) days after written request therefor, Stratabolt will furnish CET a written statement showing (i) the indebtedness secured by the First Mortgage and the Second Mortgage at the time outstanding and (ii) the indebtedness under the Kerr Lakeside Judgment and the RCH Metalworking Judgment at the time outstanding.

Section 3.2 Notices. All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered in person to the following addresses or received by certified or registered mail, postage prepaid with return receipt requested, at such addresses:

(a) If to Stratabolt:

Stratabolt Corporation
Post Office Box 10
Pelham, Alabama 35124
Attention: President

(b) If to CET:

Coal Extraction Technologies
c/o Bartlett Bretz
1901 Robins Drive
Birmingham, Alabama 35259

with copies to:

William M. Slaughter
Haskell Slaughter Young & Lewis,
Professional Association
800 First National- Southern Natural Building
Birmingham, Alabama 35203

Any of the above mentioned parties may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. A copy of any notice given to Stratabolt or CET pursuant to the provisions hereof shall also be given to the other such party, but the failure to give a copy of such notice to any party claiming the right to receive it pursuant to this sentence shall not invalidate such notice or render it ineffective unless notice to such party is otherwise herein expressly required. Any notice hereunder signed on behalf of the notifying party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee.

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Section 3.3 Parties. The term "Stratabolt" includes both Stratabolt as the original mortgagor hereunder and any subsequent owner or owners of any of the Mortgaged Property, and the term "CET" includes both Coal Extraction Technologies, Inc. as the original mortgagee hereunder and any future owner or holder, including pledgees, assignees and participants, of the Note. Whenever the context requires, the singular includes the plural and vice versa and each gender includes other genders.

Section 3.4 Binding Effect. This Mortgage shall inure to the benefit of CET and its successors and assigns. This Mortgage shall inure to the benefit of, and shall be binding upon, Stratabolt and its successors and assigns. Nothing herein contained shall be deemed to create any right in, or to be for the benefit of, any person who is not herein expressly designated as a beneficiary hereof.

Section 3.5 Entire Agreement; Amendment. This Mortgage constitutes the entire agreement of Stratabolt with respect to the lien hereof covering the Mortgaged Property and the obligations, duties, rights and privileges of Stratabolt and CET with respect to the Mortgaged Property and the security afforded hereby to CET. Following the delivery of this Mortgage to CET and the recording thereof in the office of the Judge of Probate of Shelby County, Alabama, none of the provisions hereof may be modified or amended in any way except by a written instrument duly authorized, executed and delivered on behalf of both Stratabolt and CET.

Section 3.6 Severability. In the event any provision of this Mortgage shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 3.7 Article and Section Captions. The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

Section 3.8 Governing Law. This Mortgage shall in all respects be governed by and construed in accordance with the laws of the State of Alabama.

IN WITNESS WHEREOF, Stratabolt has caused this Mortgage to be duly executed, sealed, attested and delivered in its corporate name and behalf by its duly authorized officers, in four (4) counterparts, each of which shall be deemed an original, and has caused this Mortgage to be dated as of December 30, 1983, although actually executed and delivered on April 30, 1985.

STRATABOLT CORPORATION

[SEAL]

By *Bartlett G. Bretz*
Its President

Attest:

Will M. Segal
Its Secretary

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STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Bartlett G. Bretz, whose name as President of Stratabolt Corporation, a corporation, is signed to the foregoing Mortgage and Security Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and official seal this 30th day of April, 1985.

Margie C. Fletcher
Notary Public

[NOTARIAL SEAL]

My Commission Expires: September 28, 1988



EXHIBIT A
to
MORTGAGE AND SECURITY AGREEMENT
from
STRATABOLT CORPORATION
to
COAL EXTRACTION TECHNOLOGIES, INC.

A parcel of land consisting of a part of the NE 1/4 of NE 1/4 of Section 14 and part of NW 1/4 of NW 1/4 of Section 13, all in Township 20 South, Range 3 West, more particularly described as follows: commence at the NE corner of said Section 14 and run South 1 deg. 12' East 665.27 feet to the point of beginning; thence South 89 deg. 42' East 251.38 feet to the West right of way of a County road; thence turn 83 deg. 02' 52" right to a line that is tangent to a curve having a radius of 1105.92 feet; thence follow the curve to the right 300.24 feet to a point; thence turn 58 deg. 17' 40" right from a line that is tangent to curve to a line with a bearing of South 67 deg. 11' 50", West 180.20 feet to a point; thence North 89 deg. 42' West 255.00 feet to a point; thence North 0 deg. 18' East 301.77 feet to a point; thence North 21 deg. 42' 30" West, 50.00 feet; along a line that is radial to a curve with a radius of 300.00 feet; thence follow the curve to the right 115.24 feet; thence South 89 deg. 42' East 80.00 feet to the point of beginning, situated in Shelby County, Alabama, and containing 3.501 acres, more or less.

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EXHIBIT B
to
MORTGAGE AND SECURITY AGREEMENT
from
STRATABOLT CORPORATION
to
COAL EXTRACTION TECHNOLOGIES, INC.

The following described items of equipment, furniture and other personal property were taken from the depreciation schedule for Stratabolt Corporation dated February 9, 1983, which was prepared by Horton, Lee and Burnett, Certified Public Accountants. All of the following described equipment was acquired in 1975 with the proceeds of a loan from Birmingham Trust National Bank to Stratabolt Corporation in the original amount of \$350,000 and evidenced by a promissory note of Stratabolt Corporation dated November 11, 1975.

<u>Description of Equipment</u>	<u>Date Acquired</u>	<u>Original Cost</u>	<u>Book Value as of 12/31/82</u>
Office Furniture	09/13/75	\$ 1,050.00	- 0 -
Selectric Typewriter	09/13/75	80.00	- 0 -
Stratabolt Sign	08/26/75	339.00	- 0 -
Shear Press Model 304	08/26/75	3,035.31	- 0 -
Shear Press Motor 5 HP	08/26/75	200.00	- 0 -
Slot Furnace	09/17/75	7,074.24	- 0 -
Air Supply Blower-Furnace	09/17/75	1,250.00	- 0 -
Furnace Blower Motor	09/17/75	250.00	- 0 -
Refractory Brick-Furn. Inter.	09/28/75	961.06	- 0 -
Hot Upsetter 1-1/2"	09/04/75	14,500.00	- 0 -
Thread Roller	09/02/75	27,327.98	- 0 -
Thread Roller Motor - 25 HP	10/07/75	50.00	- 0 -
Bliss Press	08/26/75	20,158.26	- 0 -
Coil Cradle	09/17/75	3,869.68	- 0 -
Index Table	08/26/75	11,141.72	- 0 -
Drill Motor Model T-3012	12/30/75	231.00	- 0 -

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<u>Description of Equipment</u>	<u>Date Acquired</u>	<u>Original Cost</u>	<u>Book Value as of 12/31/82</u>
Overhead Crane - 5 Ton	11/11/75	15,000.00	- 0 -
Die Truck	10/03/75	75.00	- 0 -
Bar Shake Out Rack	12/15/75	3,486.46	- 0 -
Drum Dumper-Model 285A	12/15/75	\$ 157.50	- 0 -
Conveyor	12/15/75	600.00	- 0 -
Conveyor	12/15/75	1,158.00	- 0 -
Conveyor	12/15/75	3,431.00	- 0 -
Bins & Containers	10/03/75	600.00	- 0 -
Conveyor	12/15/75	1,287.00	- 0 -
Air Compressor With Brook	11/11/75	12,000.00	- 0 -
Welding Machine, TM-300	08/26/75	200.00	- 0 -
Floor Scrubber, TB-18	10/07/75	750.00	- 0 -
Arbor Press, Model 3-1/2	12/15/75	225.00	- 0 -
Test Frame	11/15/75	222.75	- 0 -
Test Jack	09/09/75	337.05	- 0 -
Torque Wrench #1	12/15/75	213.75	- 0 -

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STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

1985 JUN 14 AM 9:28

Thomas A. ...
JUDGE OF THE PEACE

Mtg. tax - 450.90
Rec. 65.00
Ad. 1.00

516.90

