

2083

St. Clair Co. - 80%  
Shelby Co. - 20%

STATE OF ALABAMA)  
COUNTIES OF SHELBY AND ST. CLAIR)

**MORTGAGE  
AND SECURITY AGREEMENT**

THIS MORTGAGE AND SECURITY AGREEMENT, made this 1st day of September, 1989 between SHELBY STEEL FABRICATORS, INC., an Alabama corporation (hereinafter called the "Borrower"), whose address is Box G, Vincent, Alabama 35178, and SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION (hereinafter called the "Lender"), whose address is P. O. Box 2554, Birmingham, Alabama 35290, Attention: Alabama Banking Department.

**W I T N E S S E T H:**

WHEREAS, Borrower is justly indebted to Lender in the aggregate principal sum of Three Million One Hundred Fifty Thousand Dollars (\$3,150,000.00) as is evidenced by the following two promissory notes of the Borrower: (a) that certain Line of Credit Promissory Note, dated of even date herewith, in the principal sum of up to \$2,500,000.00, payable to Lender in installments with interest thereon (the "Line of Credit Note"); and (b) that certain Term Loan Promissory Note, dated of even date herewith, in the principal sum of \$650,000.00, payable to Lender in installments with interest thereon (the "Term Loan Note") (The Line of Credit Note and the Term Loan Note, as the same may hereafter be renewed, extended or modified, are collectively referred to herein as the "Notes"); and

WHEREAS, Borrower is also justly indebted to Lender in the principal sum of up to Three Million One Hundred Eighty Four Thousand Eight Hundred Eighty Dollars (\$3,184,880.00) pursuant to that certain Credit Agreement, dated of even date herewith, executed by the Borrower and the Lender (the "Credit Agreement"), which such Credit Agreement is secured by a Mortgage and Security Agreement, dated of even date herewith, executed by the Borrower and the Industrial Development Board of the City of Pell City, Alabama, covering certain real estate and improvements located in St. Clair County, Alabama (the "Credit Mortgage"), which such Credit Mortgage is being recorded in the Probate Office of St. Clair County, Alabama contemporaneously herewith, and, upon such recording, the Mortgage tax is being paid for the Credit Mortgage; and

WHEREAS, Borrower is the owner of a leasehold estate in the properties located in St. Clair County, Alabama, and in Shelby County, Alabama, as is more particularly described on Exhibit A hereto, pursuant, respectively, to the following lease agreements:

a. With respect to the St. Clair County Property, that certain Lease Agreement, dated of even date herewith, with the Industrial Development Board of the City of Pell City, Alabama (the "Pell City Project"); and,

b. With respect to the Shelby County Property, that certain Lease Agreement, dated November 1, 1976, with the Industrial Development Board of the Town of Vincent, Alabama (the "Vincent Project"). (The Pell City Project and the Vincent Project are collectively referred to herein as the "Projects"); and

WHEREAS, in addition, Borrower is the owner of certain personal property now owned or hereafter to be acquired in connection with the Borrower's use and operation of the Projects; and

WHEREAS, Lender has required that Borrower execute this Mortgage as security for the Notes and for that certain Loan Agreement, dated of even date herewith, between the Borrower and the Lender (the "Loan Agreement") and for that certain Security Agreement, dated of even date herewith, between the Borrower and the Lender (the "Security Agreement") and as additional collateral for the Credit Agreement and the Credit Mortgage.

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NOW, THEREFORE, in consideration of the indebtedness above mentioned, and to secure the prompt payment of the Notes, including future advances up to such principal sum, with the interest thereon, and any extensions or renewals of same, and further to secure the performance of the covenants, conditions, and agreements hereinafter set forth, and as ADDITIONAL SECURITY FOR THE CREDIT AGREEMENT AND THE CREDIT MORTGAGE, the undersigned has bargained and sold and does hereby grant, bargain, sell, alien, and convey unto the Lender, its successors and assigns, the Borrower's interest in and to the following described land, real estate, buildings, improvements, fixtures, and personal property (which together with any additional such property hereafter acquired by the Borrower and subject to the lien of this Mortgage, or intended to be so, as the same may be from time to time constituted, is hereinafter referred to as the "Mortgaged Property") to-wit:

(a) That certain tract or parcel of land located in St. Clair County, Alabama, being more particularly described in Exhibit A attached hereto and made a part hereof; and

(b) That certain tract or parcel of land located in Shelby County, Alabama, being more particularly described in Exhibit A attached hereto and made a part hereof; and

(c) All buildings, structures, improvements, and fixtures of every nature whatsoever now or hereafter situated on the properties described in Exhibit A, together with all

machinery, equipment, furniture, furnishings, and personal property of every nature whatsoever now or hereafter owned by the Borrower and located in, on, or used or intended to be used in connection with or with the operation of said property, buildings, structures, or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing, including, without limitation, those items of equipment specifically described on Exhibit B hereto; and

(d) All building materials, equipment, fixtures, fittings, and personal property of every kind or character now owned or hereafter acquired by the Borrower for the purpose of being used or useful in connection with the improvements located or to be located on the real estate described herein, whether such materials, equipment, fixtures, fittings, and personal property are actually located on or adjacent to said real estate or not, and whether in storage or otherwise, wheresoever the same may be located, including, but without limitation, all lumber and lumber products, bricks, building stones, and building blocks, sand and cement, roofing material, paint, doors, windows, hardware, nails, wires and wiring, plumbing and plumbing fixtures, heating and air conditioning equipment and appliances, electrical and gas equipment and appliances, pipes and piping, ornamental and decorative fixtures, furniture, ranges, refrigerators, dishwashers, disposals, and in general all building materials and equipment of every kind and character used or useful in connection with said improvements.

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TOGETHER with all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments, and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the property hereinabove described, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by the Borrower, and the reversion and reversions, remainder and remainders, rents, issues, and profits thereof, and all the estate, right, title, interest, property, possession, claim, and demand whatsoever at law, as well as in equity, of the Borrower of, in and to the same, including but not limited to:

(a) All rents, profits, issues, and revenues of the Mortgaged Property from time to time accruing, whether under leases or tenancies now existing or hereafter created, reserving to Borrower, however, so long as Borrower is not in default hereunder, the right to receive and retain the rents, issues, and profits thereof; and

(b) All judgments, awards of damages, and settlements hereafter made resulting from condemnation proceedings or the taking of the premises or any part thereof under the power of

eminent domain, or for any damage (whether caused by such taking or otherwise) to the premises or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including any award for change of grade or streets. Lender hereby is authorized on behalf and in the name of Borrower to execute and deliver valid acquittances for, and appeal from, any such judgments or awards. Lender may apply to all such sums or any part thereof so received, after the payment of all its expenses, including costs and attorney's fees, on the indebtedness secured hereby in such manner as it elects, or at its option, the entire amount or any part thereof so received may be released.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto the Lender, its successors and assigns forever, subject however to the terms and conditions herein:

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Borrower shall pay or cause to be paid to the Lender the principal and interest payable in respect to the Notes and the Credit Agreement, 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 the Borrower, and shall keep, perform, and observe all and singular the covenants and promises in the Notes, the Loan Agreement, the Security Agreement, the Credit Mortgage, and in this Mortgage expressed to be kept, performed, and observed by and on the part of the Borrower, 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

### REPRESENTATIONS, WARRANTIES, AND COVENANTS OF BORROWER

1.01. **Performance of Notes and Other Loan Instruments.** The Borrower will perform, observe and comply with all provisions hereof and of the Notes secured hereby, and of the Loan Agreement, the Security Agreement, the Credit Agreement, and the Credit Mortgage (collectively, the "Loan Instruments") and duly and punctually will pay to the Lender the sum of money expressed in the Notes and in the Credit Agreement with interest thereon and all other sums required to be paid by the Borrower pursuant to the provisions of this Mortgage, all without any deduction or credit for taxes or other similar charges paid by the Borrower.

1.02. **Warranty of Title.** The Borrower is lawfully seized of a leasehold estate in the land and real property hereby Mortgaged and in the equipment designated as "Leased Equipment" on Exhibit B hereto, and has good and absolute title to all equipment designated as "Owned Equipment" on Exhibit B hereby mortgaged and



has good right, full power and lawful authority to sell, convey and mortgage the same in the manner and form aforesaid. Except as otherwise set forth on Exhibit B hereto as a "Permitted Encumbrance," the property described on Exhibit A 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, financing statements, and anything of a similar nature. Borrower shall and will warrant and forever defend the title of the Mortgaged Property unto the Lender, its successors and assigns, against the lawful claims of all persons whomsoever.

1.03. **Monthly Tax Deposits.** If required by the Lender after an Event of Default, the Borrower will pay to the Lender on the first day of each month, together with and in addition to the regular installment of principal and interest due under the Notes, an amount equal to one-twelfth (1/12) of the yearly taxes and assessments as estimated by the Lender to be sufficient to enable the Lender to pay, at least thirty (30) days before they become due, all taxes, assessments, and other similar charges against the Mortgaged Property or any part thereof. Such added payments shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the Lender, and no interest shall be payable in respect thereof. Upon demand of the Lender, the Borrower agrees to deliver to the Lender such additional moneys as are necessary to make up any deficiencies in the amounts necessary to enable the Lender to pay such taxes, assessments and similar charges. In the event of a default by the Borrower in the performance of any of the terms, covenants or conditions in the Notes, this Mortgage, or the other Loan Instruments, the Lender may apply to the reduction of the sums secured hereby.

1.04. **Other Taxes, Utilities and Liens.**

(a) The Borrower will pay promptly, when and as due, and, upon Lender request, will exhibit promptly to the Lender receipts for the payment of all taxes, assessments, water rates, dues, charges, fines and impositions of every nature whatsoever imposed, levied or assessed or to be imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon the interest of the Lender in the Mortgaged Property (other than any of the same for which provision has been made in Section 1.03 hereof), as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United States of America or any state, county, municipality, borough or other taxing authority upon the Borrower or in respect of the Mortgaged Property or any part thereof, or any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property prior to or equal to the lien of this Mortgage for any amounts secured hereby or would have priority or equality with this Mortgage in distribution of the proceeds of any foreclosure sale of the Mortgaged Property or any part thereof.

(b) The Borrower will pay promptly all charges levied against the Projects by utility companies, whether public or private, for electricity, gas, water, sewer, or other utilities.

(c) The Borrower shall pay promptly and will not suffer any mechanic's, laborer's, statutory, or other lien which might or could be prior to or equal to the lien of this Mortgage to be created or to remain outstanding upon any of the Mortgaged Property, unless arrangements satisfactory to Lender are made with respect thereto.

(d) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of Mortgages or debts secured by mortgages or the manner of collecting taxes so as to affect adversely the Lender, the entire balance of the principal sum secured by this Mortgage and all interest accrued thereon shall without notice become due and payable forthwith at the option of the Lender.

1.05. Insurance. During the life of this Mortgage, the Borrower will procure for, deliver to, and maintain for the benefit of the Lender insurance policies in such amounts as the Lender shall require, insuring the Mortgaged Property against fire, extended coverage, and such other insurable hazards, casualties and contingencies as the Lender may require. The form of such policies and the companies issuing them shall be acceptable to the Lender. All policies shall contain a New York standard, non-contributory Mortgagee endorsement making losses payable to the Lender. At least fifteen (15) days prior to the expiration date of all such policies, renewals thereof satisfactory to the Lender shall be delivered to the Lender. The Borrower shall deliver to the Lender receipts evidencing the payment of all such insurance policies and renewals. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Borrower in and to all insurance policies then in force shall pass to the purchaser or grantee.

The Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the Mortgaged Property, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses, directly to the Lender, instead of to the Borrower and Lender jointly. Subject to the provisions of Section 1.07 hereof, after deducting from said insurance proceeds any expenses incurred by it in the collection or handling of said fund, the Lender may apply the net proceeds, at its option, either toward restoring the

improvements, or as a credit on any portion of the Mortgage indebtedness selected by it, whether then matured or to mature in the future, or at the option of the Lender, such sums either wholly or in part may be paid over to the Borrower to be used to repair such buildings or to build new buildings in its place or for any other purpose or object satisfactory to the Lender without affecting the lien of this Mortgage for the full amount secured hereby before such payment took place. Lender 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.

If required by the Lender after an Event of Default, the Borrower will pay to the Lender on the first day of each month, together with and in addition to the regular installment of principal and interest and monthly tax deposit (as required by Section 1.03 hereof) until the Notes are fully paid, an amount equal to one-twelfth (1/12) of the yearly premiums for insurance. Such amount shall be used by Lender to pay such insurance premiums when due. Such added payments shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the Lender, and no interest shall be payable in respect thereof. Upon demand of the Lender, the Borrower agrees to deliver to the Lender such additional moneys as are necessary to make up any deficiencies in the amounts necessary to enable the Lender to pay such insurance premiums. Upon the occurrence of an Event of Default hereunder, the Lender may apply to the reduction of the sums secured hereby, in such manner as the Lender shall determine, any amount paid in accordance herewith remaining to the Borrower's credit.

1.06. **Condemnation.** If all or any part of the Mortgaged Property shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental authority, and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall at the option of the Lender become immediately due and payable. The Lender shall be entitled to all compensation, awards, and other payments or relief therefor and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or the Borrower's name, any action or proceedings relating to any condemnation, and to settle or compromise any claim in connection therewith. Subject to the provisions of Section 1.07 hereof, all such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the Borrower to the Lender, who, 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 the Lender shall determine to the reduction of the sums secured hereby, and any balance of such moneys then remaining shall be paid to the Borrower. The Borrower agrees to execute such further

assignments of any compensations, awards, damages, claims, rights of action and proceeds as the Lender may require.

1.07. **Repair or Restoration of the Property.** Notwithstanding the provisions of Sections 1.05 and 1.06 hereof, Lender agrees that Lender shall apply the net proceeds of insurance or condemnation (after payment of costs and expenses pursuant to Section 1.05 and 1.06) to repair or restoration of the Mortgaged Property on the following terms and subject to Borrower's satisfaction of the following conditions:

(1) At the time of such loss or damage and at all times thereafter while Lender is holding any portion of such proceeds, there shall exist no uncured event, which, but for expiration of any applicable grace period, would constitute an event of default on the part of Borrower under this instrument or under any other loan document;

(2) The property, buildings, improvements and fixtures for which a loss or damage has resulted shall be capable of being restored to its pre-existing condition and utility with a value equal to or greater than prior to such loss or damage, shall be capable of being completed prior to the maturity of Notes, and shall not be such as would allow any tenant to reduce its rental payments (except during any period in which the leased premises are uninhabitable) or terminate or reduce the term of its lease, and evidence thereof satisfactory to Lender shall have been provided to Lender;

(3) Within thirty (30) days from the date of such loss or damage, Borrower shall have given Lender a written notice electing to have the proceeds applied for such purpose;

(4) Within sixty (60) days following the date of notice under the preceding paragraph and prior to any proceeds being disbursed to Borrower, Borrower shall have provided to Lender all of the following:

- (i) complete plans and specifications for restoration of the property, buildings, improvements and fixtures damaged or taken to the condition and utility prior to such loss or damage,
- (ii) if loss or damage exceeds \$50,000, fixed-price or guaranteed maximum cost bonded construction contracts for completion of the repair and restoration work in accordance with such plans and specifications,
- (iii) builder's risk insurance for the full cost of

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construction with Lender named under a standard Mortgagee loss-payable clause,

- (iv) such additional funds as in Lender's opinion are necessary to complete the repair and restoration, and
- (v) copies of all permits and licenses necessary to complete the work in accordance with the plans and specifications;

(5) Lender may, at Borrower's expense, retain an independent inspecting engineer to review plans and specifications and completed construction and to certify all requests for disbursement;

(6) No portion of such proceeds shall be made available by Lender for architectural reviews or for any other purposes which are not directly attributable to the cost of reconstructing those portions of the property for which a loss or damage has occurred;

(7) Borrower shall commence such work within one hundred twenty (120) days of such loss or damage and shall diligently pursue such work to completion;

(8) Each disbursement by Lender of such proceeds and deposits shall be funded in accordance with Lender's standard construction loan disbursement procedures and the available amount of any such disbursements shall be not greater than the net proceeds;

(9) Borrower shall grant to Lender a valid lien and security interest in all building materials and completed repair and restoration work and in all fixtures and equipment acquired with such proceeds, and Borrower shall execute and deliver such Mortgages, security agreements, financing statements and other instruments as Lender shall request to create, evidence, or perfect such lien and security interest;

(10) In the event and to the extent such proceeds are not required or used for the repair and restoration of the damaged property, buildings, improvements or fixtures, or in the event Borrower fails to timely make such election or having made such election fail to timely comply with the terms and conditions set forth herein, Lender shall be entitled without notice to or consent from Borrower to apply such proceeds or the balance thereof at Lender's option either (i) to the full or partial payment or prepayment of the indebtedness under the Notes (principal, interest, and prepayment premium, if any), or (ii) to the repair and/or

restoration of the property, buildings, improvements or fixtures damaged or taken.

**1.08. Care of the Property.**

(a) The Borrower will preserve and maintain the Mortgaged Property in good condition and repair, and will not commit or suffer any waste and will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) Except as otherwise provided herein, no buildings, fixtures, personal property, or other part of the Mortgaged Property shall be removed, demolished or substantially altered without the prior written consent of the Lender. The Borrower may sell or otherwise dispose of, free from the lien of this Mortgage, furniture, furnishings, equipment, tools, appliances, machinery, fixtures or appurtenances, subject to the lien hereof, which may become worn out, undesirable, obsolete, disused or unnecessary for use in the operation of the Mortgaged Property, not exceeding in value at the time of disposition thereof One Thousand Dollars (\$1,000.00) for any single transaction, or a total of Five Thousand Dollars (\$5,000.00) in any one year, upon replacing the same by, or substituting for the same, other furniture, furnishings, equipment, tools, appliances, machinery, fixtures, or appurtenances not necessarily of the same character, but of at least equal value to the Borrower and costing not less than the amount realized from the property sold or otherwise disposed of, which shall forthwith become, without further action, subject to the lien of this Mortgage.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, the Borrower will give immediate written notice of the same to the Lender.

(d) The Lender is hereby authorized to enter upon and inspect the Mortgaged Property at any time during normal business hours.

(e) The Borrower will comply promptly with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

(f) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, the Borrower will restore promptly the Mortgaged Property to the equivalent of its original condition, regardless of whether or not there shall be sufficient insurance proceeds therefor. If a part of the Mortgaged Property shall be physically damaged through condemnation, the Borrower will restore promptly, repair or alter the remaining property in a manner satisfactory to the Lender.

1.09. **Further Assurances; After Acquired Property.** At any time, and from time to time, upon request by the Lender, the Borrower will make, execute and deliver or cause to be made, executed and delivered, to the Lender and, where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by the Lender any and all such other and further Mortgages, instruments of further assurance, certificates and other documents as may, in the opinion of the Lender, be necessary or desirable in order to effectuate, complete, perfect, or to continue and preserve the obligation of the Borrower under the Notes, this Mortgage, and the other Loan Instruments, and the lien of this Mortgage as a first and prior lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by the Borrower. Upon any failure by the Borrower so to do, the Lender may make, execute, and record any and all such Mortgages, instruments, certificates, and documents for and in the name of the Borrower and the Borrower hereby irrevocably appoints the Lender the agent and attorney-in-fact of the Borrower so to do. The lien hereof will automatically attach, without further act, to all after acquired property attached to and/or used in the operation of the Mortgaged Property or any part thereof.

1.10. **Expenses.** The Borrower will pay or reimburse the Lender for all reasonable attorney's fees, costs, and expenses incurred by the Lender in any proceeding involving the estate of a decedent or an insolvent, or in any action, proceeding, or dispute of any kind in which the Lender is made a party, or appears as party plaintiff or defendant, affecting the Notes, this Mortgage, any of the other Loan Instruments, the Borrower, or the Mortgaged Property, including but not limited to the foreclosure of this Mortgage, any condemnation action involving the Mortgaged Property, or any action to protect the security hereof; and any such amounts paid by the Lender shall bear interest at a rate equal to two percent (2%) in excess of the interest rate then borne by the Notes, shall be payable upon demand, and shall be secured by the lien of this Mortgage.

1.11. **Performance by Lender of Defaults by Borrower.** If the Borrower shall default in the payment of any tax, lien, assessment, or charge levied or assessed against the Mortgaged Property; in the payment of any utility charge, whether public or private; in the payment of insurance premium; in the procurement of insurance coverage and the delivery of the insurance policies required hereunder; or in the performance or observance of any covenant, condition, or term of this Mortgage, then the Lender, at its option, may perform or observe the same, and all payments made for costs or incurred by the Lender in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by the Borrower to the Lender with interest thereon at a rate

equal to two percent (2%) in excess of the rate then borne by the Notes. The Lender shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim and premium; of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. The Lender is hereby empowered to enter and to authorize others to enter upon the premises or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to the Borrower or any person in possession holding under the Borrower.

1.12. **Books and Records.** The Borrower shall keep and maintain at all times full, true and accurate books of accounts and records, adequate to reflect correctly the results of the operation of the Mortgaged Property. The Borrower will furnish to the Lender within ninety (90) days after the end of the Borrower's fiscal year (or calendar year with respect to any Borrower that is a natural person), a balance sheet and a statement of income and expenses, both in reasonable detail and form satisfactory to Lender and certified by the Borrower (or an officer or general partner thereof), or if required by the Lender, a Certified Public Accountant satisfactory to the Lender.

1.13. **Estoppel Affidavits.** The Borrower within ten (10) days after written request from the Lender shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Notes and whether or not any offsets or defenses exist against such principal and interest.

1.14. **Environmental Matters.** Borrower represents and warrants to Lender that, except for those matters disclosed in the Environmental Report of the Mortgaged Property, dated August 29, 1989, prepared by Bhate Engineering Corporation, neither the Mortgaged Property nor Borrower is in violation of or subject to any existing, pending or threatened investigation or inquiry by any governmental authority or any remedial obligations under any applicable laws, rules or regulations pertaining to health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), and the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"); Borrower further represents and warrants that there are no facts, conditions or circumstances known to it which could result in any such investigation or inquiry if such facts, conditions and circumstances, if any, were fully disclosed to the applicable governmental authority. Borrower represents and warrants that it has not obtained and is not required to obtain any permits, licenses, or similar authorizations to construct, occupy, operate or use any buildings, improvements, fixtures or equipment in connection with the Mortgaged Property or improvements constructed or to be constructed by reason of any environmental laws, rules or regulations. Borrower represents and warrants that it has no



knowledge that any oil, toxic or hazardous substances or solid wastes have been disposed of or released on the Mortgaged Property (except for such hazardous waste by-products that may be manufactured by the Borrower in the operation of its steel fabricating business on the Mortgaged Property, but which such by-products are stored and/or disposed of by the Borrower in accordance with any and all applicable state and federal rules, regulations or laws relating thereto), and Borrower agrees that it will not in its use of the Mortgaged Property dispose of or release oil, toxic or hazardous substances or solid wastes on the Mortgaged Property (except in accordance with any and all applicable state and federal rules or regulations or laws relating to such disposal or release). The terms "hazardous substance" and "release" shall have the meanings specified in CERCLA, and the terms "solid waste" and "disposal", "dispose" or "disposed" shall have the meanings specified in RCRA, except that if such acts are amended to broaden the meanings thereof, the broader meaning shall apply herein. Notwithstanding anything to the contrary herein, Borrower shall indemnify and hold Lender harmless from and against any fines, charges, expenses, fees, attorney fees and costs incurred by Lender in the event the Borrower or the Mortgaged Property (whether or not due to any fault of Borrower) is hereafter determined to be in violation of any environmental laws, rules or regulations applicable thereto, and this indemnity shall survive any foreclosure or deed in lieu of foreclosure.

1.15. **Due Organization.** Borrower is a duly organized and existing Alabama corporation having full power and authority to consummate the transactions contemplated by this Mortgage. Borrower is in good standing under the laws of the State of Alabama.

1.16 **No Litigation Pending.** There are no actions, suits, or proceedings pending or, to the best of Borrower's knowledge, threatened, which might adversely affect the financial condition of Borrower or any guarantor of the Notes or which might impair the value of any collateral taken or to be taken by Lender in connection the loans contemplated hereby. Neither Borrower nor any guarantor of the Notes is in violation of any agreement the violation of which might reasonably be expected to have a materially adverse effect on such Borrower's or guarantor's business or assets, and neither Borrower nor any guarantor is in violation of any order, judgment, or decree of any court, or any statute or governmental regulation to which Borrower or any guarantor is subject. Neither the execution and performance of this Mortgage, the Notes, or any of the other Loan Instruments or any documents executed by any guarantor of the Notes will result in any breach of any Mortgage, security deed, lease, credit or loan agreement or any other instrument which may bind or affect Borrower or any guarantor.

1.17 **Financial Statements Accurate.** All financial statements of Borrower, any guarantors of the Notes and other business enterprises in which Borrower or any guarantors have an interest heretofore given and hereafter to be given to Lender are and will be true and complete in all respects as of its respective dates and prepared in accordance with generally accepted accounting principles consistently applied, and fairly represent the financial conditions of the business or persons to which they pertain, and no materially adverse change has occurred in the financial conditions reflected therein since the respective date thereof.

1.18 **Utility Service.** All utility and sanitary sewage services necessary for the use of the Mortgaged Property and all roads necessary for the use of the Mortgaged Property are available pursuant to permanent private or public easements which are not subject to the exclusive rights of any other persons which could interfere with Borrower's use thereof.

1.19 **Condemnation Proceedings.** There are no proceedings pending, or, to the best of Borrower's knowledge, threatened, to acquire any power of condemnation or eminent domain with respect to the Mortgaged Property, or any interest therein, or to enjoin or similarly prevent the use of any of the Mortgaged Property as presently used.

1.20 **Accuracy of Loan Documents.** All documents furnished to Lender by or on behalf of Borrower as part of or in support of the loan application or pursuant to the commitment letter issued by Lender are true, correct, complete and accurately represent the matters to which they pertain.

## ARTICLE II

2.01. **Events of Default.** The term Event of Default, wherever used in the Mortgage, shall mean any one or more of the following events:

(a) Failure by the Borrower to pay, within ten (10) days of the due date therefor, any installments of principal, interest or escrow deposit payable under the Notes, this Mortgage, or any of the other Loan Instruments (a "Monetary Default"); or

(b) Failure by the Borrower duly to observe any other covenant, condition, or agreement of the Notes, this Mortgage, any of the other Loan Instruments, or any other document or instrument evidencing, securing or guaranteeing the indebtedness secured hereby for thirty (30) days or more after written notice to Borrower, provided, however, that if such cure cannot be completed within said thirty (30) days, Borrower shall have commenced said

cure and shall diligently and in good faith prosecute said cure to completion (a "Nonmonetary Default"); or

(c) The sale or other transfer of all or any portion of the Mortgaged Property, or any interest therein; or

(d) The creation or suffering to exist by the Borrower of any lien or encumbrance on the Mortgaged Property, other than the lien of this Mortgage, the lien for ad valorem taxes not then delinquent, and matters set forth on Exhibit A, if any; or

(e) Except as otherwise set forth in the Loan Agreement, the sale or other transfer by any shareholder of any interest in such Borrower, unless the written consent of the Lender is first obtained, which consent will not be unreasonably withheld or delayed;

(f) Any default or Event of Default under any of the other Loan Instruments, not cured within applicable cure periods.

(g) Any representation or warranty made by or on behalf of the Borrower, under or in connection with this Mortgage or any of the other Loan Instruments, shall be materially false as of the date on which made;

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(h) Failure of the Borrower to pay when due any indebtedness owing to another creditor in excess of \$500.00 or the default by the Borrower in the performance of any term, provision or condition contained in the agreement under which any such indebtedness was created or is governed, the effect of which is to cause, or to permit the holder or holders of such indebtedness to cause, such indebtedness to become due prior to its stated maturity.

BOOK  
(i) The Borrower shall be generally not paying its debts as they become due or shall make a general assignment for the benefit of creditors; or any petition shall be filed by or against the Borrower under the federal bankruptcy laws, or any other proceeding shall be instituted by or against the Borrower seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, custodian or other similar official for the Borrower or any substantial part of its property; or the Borrower shall take any action to authorize or effect any of the transactions set forth above in this subsection 2.01(i).

2.02. Acceleration of Maturity. If an Event of Default shall have occurred, then the entire principal amount of the indebtedness secured hereby with interest accrued thereon shall,

at the option of the Lender, become due and payable without notice or demand, time being of the essence; and any omission on the part of the Lender to exercise such option when entitled to do so shall not be considered as a waiver of such right.

**2.03. Right of Lender to Enter and Take Possession.**

(a) If an Event of Default shall have occurred and be continuing, the Borrower, upon demand of the Lender, shall forthwith surrender to the Lender the actual possession, and if and to the extent permitted by law, the Lender may enter and take possession, of all the Mortgaged Property, and may exclude the Borrower and its agents and employees wholly therefrom.

(b) Upon every such entering upon or taking of possession, the Lender may hold, store, use, operate, manage, and control the Mortgaged Property and conduct the business thereof, and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments, and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty, and other property; (ii) insure or keep the Mortgaged Property insured; (iii) manage and operate the Mortgaged Property and exercise all the rights and powers of the Borrower in Borrower's name or otherwise, with respect to the same; (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted the Lender, all as the Lender from time to time may determine to be to its best advantage; and the Lender may collect and receive all the income, revenues, rents, issues and profits of the same including those past due as well as those accruing thereafter, and, after deducting (A) all expenses of taking, holding, managing, and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (B) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements, purchases, and acquisitions; (C) the cost of such insurance; (D) such taxes, assessments, and other charges prior to the lien of this Mortgage as the Lender may determine to pay; (E) other proper charges upon the Mortgaged Property or any part thereof; and (F) the reasonable compensation, expenses, and disbursements of the attorneys and agents of the Lender; shall apply the remainder of the moneys so received by the Lender to the payment of accrued interest, to the payment of tax and insurance deposits required in Sections 1.03 and 1.05 hereof, and to the payment of overdue installments of principal, all in such order and priority as the Lender may determine.

(c) Whenever all such Events of Default have been cured and satisfied, the Lender may, at its option, surrender possession of the Mortgaged Property to the Borrower, its successors or assigns. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.



**2.04. Receiver.**

(a) If an Event of Default shall have occurred and be continuing, the Lender, 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.

(b) The Borrower will pay to the Lender upon demand all expenses, including receiver's fees, attorney's fees and costs, and agent's compensation, incurred pursuant to the provisions contained in this Section 2.04; and all such expenses shall be secured by this Mortgage.

**2.05. Lender's Power of Enforcement.** If an Event of Default shall have occurred and be continuing, the Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (a) to enforce payment of the Notes or the performance of any term thereof or any other right, (b) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property, as provided by law, and (c) to pursue any other remedy available to it, all as the Lender shall deem most effectual for such purposes. The Lender shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as the Lender may determine.

**2.06. Power of Sale.** If an Event of Default shall have occurred, Lender may sell the Mortgaged Property at public outcry to the highest bidder for cash in front of the Court House door in the county where said property is located, 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, Lender or any person conducting the sale for Lender is authorized to execute to the purchaser at said sale a deed to the premises so purchased. Lender may bid at said sale and purchase said premises, or any part thereof, if the highest bidder therefor. At the foreclosure sale the Mortgaged Property maybe offered for sale and sold as a whole without first offering it in any other manner or may be offered for sale and sold in any other manner Lender may elect.

**2.07. Application of Foreclosure Proceeds.** The proceeds of any foreclosure sale pursuant to Section 2.06 shall be applied as follows:

(a) First, to the expenses of making the sale, including a reasonable attorney's fee for such services as may be necessary in the collection of said indebtedness or the foreclosure of this Mortgage;

(b) Second, to the repayment of any money, with interest thereon at a rate equal to two percent (2%) in excess of the rate borne by the Notes, which Lender may have paid, or become liable to pay, or which it may then be necessary to pay for taxes, insurance, assessments or other charges, liens, or debts as hereinabove provided;

(c) Third, to the payment and satisfaction of the indebtedness hereby secured with interest to date of sale; and

(d) Fourth, the balance, if any, shall be paid to the party or parties appearing of record to be the owner of the premises at the time of the sale after deducting any expense of ascertaining who is such owner.

2.08. **Lender's Option on Foreclosure.** At the option of the Lender, this Mortgage may be foreclosed as provided by law or in equity, in which event a reasonable attorney's fee shall, among other costs and expense, be allowed and paid out of the proceeds of the sale. In the event Lender exercises its option to foreclose the Mortgage in equity, Lender may, at its option, foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties defendants to any such foreclosure proceeding and to foreclose its rights will not be, nor be asserted to be by the Borrower, a defense to any proceedings instituted by the Lender to collect the sum secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

2.09. **Waiver of Exemption.** Borrower waives all rights of exemption pertaining to real or personal property as to any indebtedness secured by or that may be secured by this Mortgage, and Borrower waives the benefit of any statute regulating the obtaining of a deficiency judgment or requiring that the value of the premises be set off against any part of the indebtedness secured hereby.

2.10. **Suits to Protect the Mortgaged Property.** The Lender shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or any violation of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property and in the income, revenues, rents, and profits arising therefrom, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule, or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance

with such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the Lender.

**2.11. Borrower to Pay the Notes on Any Default in Payment; Application of Moneys by Lender.** If default shall be made in the payment of any amount due under the Notes or Mortgage, then, upon demand of the Lender, the Borrower will pay to the Lender the whole amount due and payable under the Notes; and in case the Borrower shall fail to pay the same forthwith upon such demand, the Lender shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs, which shall include the reasonable compensation, expenses, and disbursements of the Lender's agents and attorneys.

**2.12. Delay or Omission No Waiver.** No delay or omission of the Lender or of any holder of the Notes 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 the Lender may be exercised from time to time and as often as may be deemed expedient by the Lender.

**2.13. No Waiver of One Default to Affect Another, etc.** No waiver of any default hereunder shall extend to or shall affect any subsequent or any other then existing default or shall impair any rights, powers, or remedies consequent thereon.

If the Lender (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted herein or in the Notes; (d) releases any part of the Mortgaged Property from the lien of this Mortgage or otherwise changes any of the terms of the Notes or this Mortgage; (e) consents to the filing of any map, plat, or replat thereof; (f) consents to the granting of any easement thereon; or (g) makes or consents to any agreement subordinating the lien or change hereof, any such act or omission shall not release, discharge, modify, change, or affect the original liability under the Notes, this Mortgage or otherwise of the Borrower 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 the Lender 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 the Lender, 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, the Lender, at its option, without notice to any person or corporation hereby is authorized and empowered to deal with any such vendee or transferee with

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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 hereunder.

2.14. **Discontinuance of Proceedings - Position of Parties, Restored.** In case the Lender shall have proceeded 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 the Lender, then and in every such case the Borrower and the Lender shall be restored to their former positions and rights hereunder, and all rights, powers, and remedies of the Lender shall continue as if no such proceeding has been taken.

2.15. **Remedies Cumulative.** No right, power, or remedy conferred upon or reserved to the Lender by this Mortgage is intended to be exclusive of any 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.

### ARTICLE III

3.01. **Successors and Assigns Included in Parties.** Whenever in this Mortgage one of the parties hereto is named or referred to, the heirs, administrators, executors, successors, and assigns of such party shall be included, and all covenants and agreements contained in this Mortgage by or on behalf of the Borrower or by or on behalf of Lender shall bind and inure to the benefit of its respective heirs, administrators, executors, successors, and assigns, whether so expressed or not.

3.02. **Headings, etc.** The headings of the articles, sections, paragraphs, and subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

3.03. **Invalid Provisions to Affect No Others.** In case any one or more of the covenants, agreements, terms, or provisions contained in this Mortgage or in the Notes shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining covenants, agreements, terms, and provisions contained herein and in the Notes shall in no way be affected, prejudiced, or disturbed thereby.

3.04. **Lien on Personal Property.** This Mortgage creates a lien on and grants a security interest in, the personal property of the Borrower located on the Mortgaged Property, and it shall constitute a security agreement under the Alabama Uniform Commer-



cial Code or other law applicable to the creation of liens on personal property. Borrower covenants and agrees to execute, file, and refile such financing statements, continuation statements or other documents as Lender shall require from time to time with respect to such personal property. This Mortgage shall constitute a financing statement under the Alabama Uniform Commercial Code with Borrower as the "debtor" and Lender as the "secured party". If an Event of Default occurs, the Lender shall have all rights and remedies of a secured party under the Alabama Uniform Commercial Code.

IN WITNESS WHEREOF, the Borrower has caused this Mortgage to be properly executed, on the day and year first above written.

BORROWER:

SHELBY STEEL FABRICATORS, INC.,  
an Alabama corporation

ATTEST:

Harry M. Dowe  
Its: SECRETARY

By: Harold Ridgway  
Its PRESIDENT

STATE OF ALABAMA )  
COUNTY OF Jefferson )

I, the undersigned Notary Public in and for said County, in said State, hereby certify that Harold Ridgway whose name as President of Shelby Steel Fabricators, Inc., an Alabama corporation is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of the instrument, 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 25th day of September, 1989.

Patricia S. Hering  
NOTARY PUBLIC

My Commission Expires:

My Commission Expires October 28, 1992

This instrument prepared by:

Gail L. Mills, Esq.  
Burr & Forman  
3000 SouthTrust Tower  
Birmingham, Alabama 35203

EXHIBIT A

PARCEL I (THE PELL CITY, ST. CLAIR COUNTY PROPERTY):

A parcel of land in the East half of the Southwest Quarter of Section 32, Township 16 South, Range 4 East, being more particularly described as follows: Commence at the Southwest corner of the Northeast Quarter of the Southwest Quarter of Section 32, Township 16 South, Range 4 East, which is the point of beginning; thence run North 02 degrees 08 minutes 30 seconds East along the quarter-quarter line for 444.36 feet; thence run South 88 degrees 44 minutes 40 seconds East for 1180.20 feet; thence run South 01 degrees 15 minutes 20 seconds West for 734.65 feet; thence run North 88 degrees 44 minutes 40 seconds West for 1191.56 feet to the quarter-quarter line; thence run North 02 degrees 08 minutes 30 seconds East along the quarter-quarter line for 290.38 feet to the point of beginning. The above being in Pell City, St. Clair County, Alabama. Bearings refer to the Alabama East Zone Grid. According to the survey of Derrol B. Luker, Ala. Reg. No. 11673, dated July 31, 1989.

PARCEL II (THE VINCENT, SHELBY COUNTY PROPERTY):

Begin at the Southeast corner of the Southwest 1/4 of the Northeast 1/4, Section 23, Township 19 South, Range 2 East, thence run west along the south line of said quarter-quarter section a distance of 356.27 feet; thence turn an angle of 68 degrees, 39 minutes 10 seconds to the right and run a distance of 713.02 feet to the north line of the South 1/2 of the South 1/2 of said Northeast 1/4; thence turn an angle of 111 degrees 20 minutes 20 seconds to the right and run along the north line of said South 1/2, South 1/2, Northeast 1/4, a distance of 655.94 feet to the west right of way of the Central of Georgia Railroad; thence turn an angle of 68 degrees 40 minutes 30 seconds to the right and run along said right of way a distance of 712.94 feet to the south line of the Southeast 1/4 of the Northeast 1/4 of said section; thence turn an angle of 111 degrees 20 minutes to the right and run a distance of 299.67 feet to the point of beginning. All of said property being situated in the South 1/2 of the Southwest 1/4 of the Northeast 1/4 and the South 1/2 of the Southeast 1/4 of the Northeast 1/4 in Section 23, Township 19 South, Range 2 East Huntsville Meridian, in Shelby County, Alabama.

Parcel II is subject to the following:

1. Right of way to Alabama Power Company, as recorded in Real 5, Page 363, in the Probate Office of Shelby County, Alabama;
2. Rights of way to Alabama Power Company, as recorded in Volume 101, Page 571, Volume 111, Page 417, and Volume 101, Page 572 in said Probate Office; and
3. Easement for ingress and egress as recorded in Volume 298, Page 897 in said Probate Office.

## EXHIBIT B

## SHELBY STEEL FABRICATORS, INC. EQUIPMENT SUMMARY FOR AD VALOREM TAXES

LEASED EQUIPMENT:

DESCRIPTION	DATE ACQUIRED	COST
-----		
EXEMPT UNDER IDB-NO TAX		
-----		
Demag 3T 35'4" OH Crane	7/1/79	\$11,448.00
Demag 3T 35'4" OH Crane	7/1/79	\$11,448.00
Demag 10T 60'0" OH Crane	7/1/79	\$39,783.00
Demag 10T 57'4" OH Crane	7/1/79	\$29,471.00
Demag 10T 35'4" OH Crane	7/1/79	\$19,681.00
Demag 5T 57'4" OH Crane	7/1/79	\$25,252.00
Demag 5T 35'4" OH Crane	7/1/79	\$13,591.00
Pacific brake w/ dies	7/1/79	\$102,215.00

TOTALS

\$252,889.00

OWNED EQUIPMENT:

9/30/79-NO STATE,COUNTY OR CITY

Drill press #211537	7/1/79	\$4,172.00
MD Kingland Iron Worker	7/1/79	\$19,680.00
KJ Cutoff saw	7/1/79	\$1,575.00
Kalamazoo Band saw	7/1/79	\$1,050.00
Pettibone crane 25T	7/1/79	\$24,823.00
Drill lead for drill press	7/1/79	\$1,847.00
Oyster threading machine	7/1/79	\$1,146.00
IR and drill	7/1/79	\$1,619.00
2000 Amp GE welding equip	7/1/79	\$4,699.00
RM 700 power torque wrench	7/1/79	\$1,341.00
Hobart gas welding machine	7/1/79	\$1,957.00
Miller power sources & wire feeders	7/1/79	\$9,929.05

TOTALS

\$73,838.05

10/1/79 - 9/30/80-NO STATE,COUNTY OR CITY

SRDT 6000 18' lift cable & hoist	10/29/79	\$1,632.55
70-303 drill	10/31/79	\$1,883.44
Iron worker #653	12/30/79	\$10,380.88
SRDT 6000 9PB 18' lift cable & hoist	11/8/79	\$1,662.55
Hydraulic press	2/6/80	\$7,658.18
Hydraulic flange press	6/16/80	\$3,588.03
HOBO 2003 cutting machine	6/23/80	\$786.84
Hydraulic Puch & Power unit	9/8/80	\$2,899.32
Bektsh plate bending roll	5/14/80	\$8,500.00
Rebuilt crane	9/8/80	\$6,470.50

TOTALS

\$45,462.29

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10/1/80 - 9/30/81-NO CITY OR STATE

MDL 98-0400 Arrestor	2/81	\$294.68
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SHELBY STEEL FABRICATORS, INC. EQUIPMENT SUMMARY FOR AD VALOREM TAXES

DESCRIPTION	DATE ACQUIRED	COST	
P&H 5 ton crane	2/81	\$2,000.00	
Taylor fork lift	5/81	\$29,750.00	
Typewriter	6/81	\$952.56	
Typewriter	7/81	\$978.15	
TOTALS			\$33,975.39

10/1/81 - 9/30/82-NO CITY OR STATE

Air compressor	10/81	\$22,025.50	
Bridge crane	11/81	\$10,016.95	
Thermal Arc cutting machine	12/81	\$6,164.97	
Bridge crane	11/81	\$15,956.00	
Sin-tector	1/82	\$432.12	
Carbon monoxide monitor	2/82	\$693.26	
Crane	6/82	\$48,943.48	
House trailer	2/82	\$1,000.00	
Radial arm drill	9/82	\$2,000.00	
Cleveland punch	9/82	\$700.00	
Air punch	9/82	\$300.00	
24" floor fan	6/82	\$1,615.00	
Magnetic drill	7/82	\$1,471.75	
Drill press	8/82	\$1,687.45	
TOTALS			\$113,006.48

10/1/82 - 12/31/82-NO CITY OR STATE

Burning machine	12/82	\$143,363.04	
Welding system	12/82	\$2,912.00	
48' conveyor	11/82	\$3,250.00	
Drill press, 4 welders	11/82	\$4,110.00	
Crane extension	12/82	\$6,452.81	
TOTALS			\$160,087.85

1/1/83 - 9/30/83-NO CITY OR STATE

Wheelabrator cleaning machine	1/83	\$56,906.22	
Gasoline welder	1/83	\$1,861.80	
Trumpf Beveling machine	1/83	\$2,074.80	
Trumpf guide bracket	1/83	\$436.80	
Exxon 1200 quip	1/83	\$1,684.65	
Card reader, printer, plotter	2/83	\$687.00	
Olympia Typewriter	2/83	\$1,653.60	
Set of offset dies	3/83	\$1,736.79	
Taylor forklift	2/83	\$34,510.00	
Sand blaster & accessories	4/83	\$2,039.12	



SHELBY STEEL FABRICATORS, INC. EQUIPMENT SUMMARY FOR AD VALOREM TAXES

DESCRIPTION	DATE ACQUIRED	COST
PP77 oven	4/83	\$300.00
Trumpf TKF 220	6/83	\$2,301.00
52" segment saw	6/83	\$1,218.00
HTC MDL 500 12 HHC shear	6/83	\$32,600.00
Lincoln Welder	8/83	\$1,498.00
Post hole digger for tractor	8/83	\$458.44
Xerox 3300 copier	9/83	\$3,988.45
2 typewriters	8/83	\$1,050.00

TOTALS

\$147,004.67

10/1/83 - 9/30/84-NO CITY OR STATE

Airco 10B radiograph	10/83	\$1,032.55
TRS 80 computer printer	12/83	\$2,682.22
Set of plate rolls	12/83	\$3,766.00
3 OH cranes	12/83	\$36,967.93
Extend craneway	12/83	\$28,681.47
Control console beam line	1/84	\$3,800.00
Webb press	2/84	\$6,127.50
LT-7 tractor & power source	2/84	\$1,433.25
Air conditioner	5/84	\$749.00
Airless spray	5/84	\$1,658.50
Wheelabrator cleaning machine	5/84	\$3,408.44
LT-7 tractor & accessories	5/84	\$2,469.31
25 ton hydraulic punch	5/84	\$1,043.12
Taylor fork lift	6/84	\$13,900.00
Portable building	6/84	\$1,569.75
52" segment saw	6/84	\$1,370.25
Taylor forklift, plane roll & seamer	7/84	\$29,125.00
Radial drill	7/84	\$4,100.00
10' plate rolls & plate seamer	7/84	\$20,000.00
15 ton OH crane	7/84	\$18,500.00
Freight on above	7/84	\$1,580.00
Recondition fork lift	9/84	\$9,584.27
Craneways	9/84	\$16,201.54
Crane installation	9/84	\$26,789.28
Portable building	9/84	\$1,696.00
Wiring for installation	9/84	\$3,499.62
Freight, material, seamwelder	9/84	\$1,603.60

TOTALS

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\$243,338.60

10/1/84 - 9/30/85-NO CITY OR STATE

RCA camera	10/84	\$301.76
Magnetic particle testing unit	11/84	\$4,738.96
2 portable buildings	11/84	\$2,801.76

SHELBY STEEL FABRICATORS, INC. EQUIPMENT SUMMARY FOR AD VALOREM TAXES

DESCRIPTION	DATE ACQUIRED	COST
Radio shack printer w/ cable	1/85	\$1,484.63
Lincoln DC power unit, tractor	1/85	\$4,300.56
3 31 retraction drills & access	1/85	\$4,780.60
Portable welding assembly	1/85	\$2,217.87
2 Miller wire welders	2/85	\$1,460.28
OH Crane	3/85	\$11,500.00
Lincoln gasoline welder	4/85	\$1,811.40
OH crane 5 ton	4/85	\$19,684.31
OH crane & welders	5/85	\$38,270.00
Rockwell 31LD 806 air drill	5/85	\$1,191.10
Craneways	3/85	\$58,439.65
Conveyors, crossovers, hydraulic sys	3/85	\$28,133.53
New jigs	3/85	\$7,293.60
s-90 shear wrench w/ sockets	6/85	\$2,550.00

TOTALS

\$190,960.01

10/1/85 - 6/30/86-NO CITY OR STATE

Atlas copco air compressor	10/85	\$13,574.00
Sq "D" Stater heater controls	11/85	\$1,540.80
Vertical band saw	12/85	\$8,000.00
5T bridge crane-used	12/85	\$6,500.00
Press brake-used	12/85	\$10,000.00
Torch, guides, fire extinguisher	12/85	\$1,725.00
Freight on saw, press break	12/85	\$920.00
Loading crane-used	12/85	\$1,210.00
Telephone system	12/85	\$13,589.25
Whiteco Stinger II pressure washer	2/86	\$2,716.61
Tractor & accessories	3/86	\$12,667.20
Intn'l front end loader-used	4/86	\$3,400.00
Portable heater maintenance	2/86	\$348.78
OH Cranes-material & install	12/85	\$12,500.57
Hood for wheelabrator cleaner	12/85	\$1,490.02
Fence around new job area	11/85	\$2,930.67
5 ton TR56 MD OH Crane	6/86	\$20,703.43
4" Rotar Hor Col Mill-used	6/86	\$2,082.16
Massey Ferguson Backhoe-used	6/86	\$5,250.00
Pettibone hydraulic crane-used	6/86	\$10,000.00
Welders, grinders, hammers, acces-U	6/86	\$9,278.40

TOTALS

\$140,426.89

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7/1/86 - 9/30/86 EXEMPTION PENDING

OH bridge crane-used	7/86	\$3,800.00
Bending roll-used	7/86	\$7,000.00
Welder-used	7/86	\$2,000.00

SHELBY STEEL FABRICATORS, INC. EQUIPMENT SUMMARY FOR AD VALOREM TAXES

DESCRIPTION	DATE ACQUIRED	COST
Various shop equipment-used	7/86	\$4,795.00
Various office equipment-used	7/86	\$655.00
Computer & accessories-used	9/86	\$2,279.10
K1298M lincoln welder	9/86	\$7,896.80
TOTALS		\$28,425.90
10/1/87 - 9/30/87 EXEMPTION PENDING		
Xerox copier	11/86	\$2,028.75
Crane install, equip, bldg add	10/86	\$7,629.86
Heller horizontal press	1/87	\$1,033.05
Peddinghaus MDL ABC 1000/4	4/87	\$71,361.40
Peddinghaus MDL 1154CNC Punch	4/87	\$79,750.00
Various nozzles, electrodes, torches	5/87	\$19,875.84
Peddinghaus TDK 1000/3 power drill	6/87	\$268,666.00
Wyse computer & accessories	6/87	\$16,881.37
Hi speed cantilever cutting machine	6/87	\$14,096.89
MAC 2000	8/25/87	\$3,500.00
TOTALS		\$484,823.16
10/1/88 - 9/30/88 EXEMPTION PENDING		
Wheelabrator	5/88	\$94,270.18
Rubber sheets	5/88	\$704.88
3 welders	6/88	\$2,764.26
Air compressor	9/15/88	\$13,264.50
Hyster forklift	7/88	\$14,500.00
Grooved wheels	9/30/88	6410.73
TOTALS		\$131,914.55
		\$2,046,152.84

Exhibit B (Continued)

(Equipment)

Together with all equipment to be purchased with the proceeds of the \$3,000,000 in aggregate principal amount of the Revenue Bonds (Shelby Steel Fabricators, Inc. Project), Series 1989-A issued by the Industrial Development Board of the City of Pell City, Alabama, including, without limitation, the following:

Building Craneways  
Overhead Cranes (14)  
Conveyor System  
Computer operated drill lane  
Anglemaster  
Coper  
Peddinghaus saw  
Plate duplicator

1. Deed Tax -----	\$	
2. Mig. Tax -----	\$	4,725.00
3. Recording Fee -----	\$	70.00
4. Notary Fee -----	\$	3.00
5. No Tax Fee -----	\$	
6. Certified Stamp Fee --	\$	1.00
Total -----	\$	4,799.00

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

89 SEP 27 AM 8:20

*Thomas A. Snowden, Jr.*  
JUDGE OF PROBATE

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