

Inst # 1996-38696

STATE OF ALABAMA)
COUNTIES OF SHELBY)
AND ST. CLAIR (PELL CITY DIVISION))

**SECOND MORTGAGE AND SECURITY AGREEMENT
MODIFICATION AGREEMENT**

THIS SECOND MORTGAGE AND SECURITY AGREEMENT MODIFICATION AGREEMENT, dated as of the 21st day of October, 1996, is by and between **SHELBY STEEL FABRICATORS, INC.**, an Alabama corporation (herein, the "Borrower") and **SOUTHTRUST BANK OF ALABAMA, NATIONAL ASSOCIATION**, a national banking association (herein, the "Lender").

RECITALS:

A. Lender is the owner and holder of that certain Mortgage and Security Agreement executed by Borrower, dated September 1, 1989, and recorded in Mortgage Volume 269, Page 160 in the Office of the Judge of Probate of St. Clair County (Pell City Division), Alabama, and also in Book 258, Page 310 in the Office of the Judge of Probate of Shelby County, Alabama, as amended by Mortgage and Security Agreement Modification Agreement dated February 8, 1991, and recorded in Mortgage Volume 296, Page 125 and Book 332, Page 872, respectively, in said Offices (as so amended, the "Mortgage"). The Mortgage secures certain indebtedness of the Borrower to the Lender more particularly described therein.

B. Borrower has requested a new loan from Lender in the principal sum of \$425,000 (the "Equipment Loan"). Lender has agreed to make the Equipment Loan to the Borrower, provided, among other things, that (i) Borrower executes that certain Equipment Loan Promissory Note of even date herewith, (ii) Borrower amends the Mortgage as herein provided; and (iii) Borrower executes such other documents as Lender requires.

C. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in that certain Loan Agreement between Borrower and Lender dated September 1, 1989, as amended by Loan Agreement Modification Agreement dated February 8, 1991, as further amended by Second Loan Agreement Modification Agreement of even date herewith, as the same may hereafter be modified or amended.

NOW, THEREFORE, in consideration of the foregoing recitals, the parties hereto agree as follows:

1. The Mortgage is hereby amended to provide that it shall, in addition to the indebtedness currently secured, secure the obligations of the Borrower to the Lender under that certain Equipment Loan Promissory Note, dated of even date herewith, in the principal sum of \$425,000 (the "Equipment Note"). Mortgage tax has been previously been paid upon the prior

11/22/1996-38696
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indebtedness secured by the Mortgage; accordingly, mortgage tax is now due and payable only upon the \$425,000 being loaned by the Lender to the Borrower pursuant to the Equipment Note.

2. The Mortgage is hereby amended to add the following as an Event of Default to Section 2.01 of the Mortgage:

(j) The occurrence of any Event of Default under that certain Equipment Loan Promissory Note, dated October 21, 1996, from Borrower to Lender in the principal sum of \$425,000.

3. The Term Loan and the \$800,000 Loan described in the Mortgage have been paid in full, and all references in the Mortgage to such loans or to the Term Note or \$800,000 Note shall be deemed eliminated.

4. Lender shall attach an executed copy of this Agreement to the Mortgage and all references hereinafter shall be to the Mortgage, as amended hereby. Lender is authorized to type upon the Mortgage the following:

This Mortgage has been amended by Second Mortgage and Security Agreement Modification Agreement dated October 21, 1996, entered into by and between SouthTrust Bank of Alabama, National Association and Shelby Steel Fabricators, Inc., a copy of which Agreement is attached hereto and made a part hereof.

5. No right of Lender with respect to the loans evidenced and/or secured by the Line of Credit Note, the Loan Agreement, the Mortgage, the Security Agreement, or any financing statements, or other agreements or documents required, executed, and /or delivered, in connection therewith are or will be in any manner released, destroyed, diminished, or otherwise adversely affected by this Agreement except as expressly provided herein.

6. Borrower represents and warrants that all representations and warranties set forth in the Mortgage are true and correct on the date hereof.

7. Borrower represents and warrants that no Potential Default or Event of Default has occurred or exists.

8. Except as hereby expressly modified and amended, the Mortgage shall remain in full force and effect, and the Mortgage, as so amended, is hereby ratified and affirmed in all respects. Borrower confirms that it has no defenses or setoffs with respect to its obligations pursuant to the Mortgage, as herein amended.

9. This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns.

IN WITNESS WHEREOF, the undersigned Borrower and Lender have caused this instrument to be properly executed on day and year first above written.

SHELBY STEEL FABRICATORS, INC.
an Alabama corporation

By: Harold Ridgeway
Harold Ridgeway
Its President

**SOUTHTRUST BANK OF ALABAMA,
NATIONAL ASSOCIATION**, a national
banking association

By: Kevin Horton
Kevin Horton
Its Assistant Vice President

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Harold Ridgeway, 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 the 31st day of October, 1996.

Suzanne Hoestel
Notary Public

My Commission Expires:

9/28/99

Inst # 1996-38696

STATE OF ALABAMA)
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11/22/1996-38696
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I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that **Kevin Horton**, whose name as Assistant Vice President of SouthTrust Bank of Alabama, National Association, a national banking association, 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, executed the same voluntarily and with full authority for and as the act of said association.

Given under my hand and official seal this the 31st day of October, 1996.

Suzanne Hoestel
Notary Public

My Commission Expires:

9/28/99

THIS INSTRUMENT PREPARED BY: Jill Verdeyen Deer, Burr & Forman, 3100 SouthTrust Tower, 420 North 20th Street, Birmingham, Alabama 35203 (205) 251-3000.