

This instrument prepared by:
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Birmingham, Alabama 35203

This instrument to be cross-
indexed with the Mortgage and
Security Agreement recorded in
Inst. #1998-47115

Inst # 1999-49131

FIRST AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT

**STATE OF ALABAMA)
SHELBY COUNTY)**

THIS FIRST AMENDMENT TO MORTGAGE AND SECURITY AGREEMENT ("First Amendment"), made and entered into effective as of the 3rd day of December, 1999, by **POLYMET ALLOYS, INC.**, an Alabama corporation, whose address is 1757 Highway 31 (Calera, Alabama 35040), P. O. Box 316, Saginaw, Alabama 35137, Attention: Braulio Lage ("Mortgagor"), and **COLONIAL BANK**, an Alabama state banking corporation, with principal offices in Birmingham, Alabama, whose address is 1928 First Avenue North (35203), P. O. Box 1887, Birmingham, Alabama 35201-1887, Attention: Allen G. Tempio ("Mortgagee").

WHEREAS, Mortgagor and Mortgagee executed a certain Mortgage and Security Agreement dated as of the 24th day of November, 1998 (the "Mortgage"), and the Mortgage was recorded in Inst. #1998-47115 in the Office of the Judge of Probate of Shelby County, Alabama (all capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to them in the Mortgage); and

WHEREAS, Mortgagor has requested that Mortgagee loan additional funds to Mortgagor and, concurrently herewith, Mortgagor and Mortgagee are amending certain of the Loan Documents, including, without limitation, the Loan Agreement and the Note, in order to provide for an increase of \$500,000.00 in the amount of the Loan secured by, among other things, the Mortgage, so that the maximum principal amount of the Loan shall be increased from \$3,000,000.00 to \$3,500,000.00; and

WHEREAS, Mortgagor and Mortgagee desire to amend the Mortgage in order to increase the acknowledge the increase in the principal amount of the Loan and to increase the maximum principal indebtedness secured by the Mortgage from \$500,000.00 to \$600,000.00 as provided for hereinafter.

12/06/1999-49131
10:14 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
003 CJ1 913.50

NOW, THEREFORE, in consideration of One Dollar (\$1.00) and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Mortgagor and Mortgagee agree that the Mortgage is hereby amended as follows:

1. Notwithstanding anything contained in the Mortgage to the contrary, the **MAXIMUM PRINCIPAL INDEBTEDNESS SECURED BY THE MORTGAGE FOR ALABAMA RECORDING TAX PURPOSES SHALL BE \$600,000.00** (instead of \$500,000.00).

2. The words "Three Million and No/100 Dollars" and the number "\$3,000,000.00" are deleted in all places where such words or numbers are used in the Mortgage, and, in their respective places, the words "Three Million Five Hundred Thousand and No/100 Dollars" and the number "\$3,500,000.00" are hereby inserted in lieu thereof.

3. Except as hereinabove expressly amended, the terms of the Mortgage are hereby ratified and affirmed.

IN WITNESS WHEREOF, Mortgagor has caused this instrument to be executed by its duly authorized officer and Mortgagee has caused this instrument to be executed by its duly authorized officer as of the day and year first above written.

MORTGAGOR:

POLYMET ALLOYS, INC.

By: _____
Its: _____

Brantham
VICE PRESIDENT

MORTGAGEE:

COLONIAL BANK

By: _____
Its: _____

[Signature]
VICE PRESIDENT

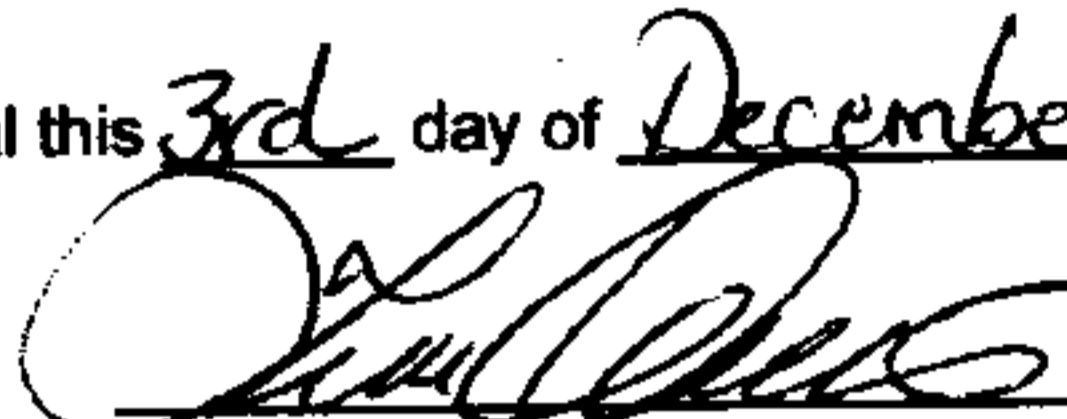
[acknowledgments on next page]

STATE OF ALABAMA
COUNTY OF JEFFERSON

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Branlio Lage, whose name as Vice President of Polymet Alloys, 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 said 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 3rd day of December, 1999.

(SEAL)



Notary Public
My Commission Expires: 2-13-03

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Allen Tempio, whose name as Vice President of Colonial Bank, an Alabama state banking 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 said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said banking association.

Given under my hand and official seal this 3rd day of December, 1999.

(SEAL)


Notary Public
My Commission Expires: 2-13-03

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