

STATE OF ALABAMA)

SHELBY COUNTY)

**MEMORANDUM OF UNDERSTANDING AND
SECOND AMENDMENT TO LEASE**

This Memorandum of Understanding and Amendment to Lease (the "Agreement") is made as of the 8th day of August, 1997 by and among E & T REALTY COMPANY, an Alabama general partnership (herein "E&T"), the INDUSTRIAL DEVELOPMENT BOARD OF THE TOWN OF VINCENT, a public corporation (herein "IDB"), and REGIONS BANK, an Alabama banking corporation (herein "Regions").

WHEREAS, IDB entered into a lease with Dewberry Engraving Company of Alabama, Inc., dated April 1, 1971, which lease is recorded in Volume 268, Page 361, in the Office of the Judge of Probate of Shelby County, Alabama (the "Original Lease"), and which Original Lease was amended and assumed by Monumental Life Insurance Company by Assumption Agreement dated January 6, 1995 and recorded as Exhibit "A" to Instrument #1996-03356 (the "Assumption Agreement") in said Probate Office, and further amended and assumed by E & T by Lease Amendment dated August 29, 1995 and recorded as Instrument #1996-03356 in said Probate Office (the "First Amendment") (the Original Lease, as amended by the Assumption Agreement, the First Amendment, and this Agreement, is herein collectively referred to as the "Lease"); and

WHEREAS, in connection with the Assumption Agreement, Monumental Life Insurance Company sold the Project (as that term is defined in the Lease) to E & T, and in connection with the purchase of the Project, E & T executed and delivered to Union State Bank, Birmingham, Alabama, a mortgage recorded in Instrument #1995-24498 in said Probate Office and an assignment of leases and rents recorded as Instrument #1995-24499, and in connection with the First Amendment, E & T executed and delivered to Union State Bank, Birmingham, Alabama, a mortgage recorded in Instrument #1996-03357 and as assignment of leases and rents recorded as Instrument #1996-03358 (collectively referred to herein as the "Union State Security Documents"); and

WHEREAS, E & T desires to refinance the Project with Regions and to execute and deliver to Regions a mortgage and security agreement and an assignment of leases and rents on the Project, and

WHEREAS, E & T and IDB desire to further amend the Lease to provide for an extension of the term of the lease to March 31, 2011, as opposed to year to year extensions of the Lease pursuant to Article IX, Section 9.1; and

WHEREAS, IDB, E & T and Regions agree to hold this Memorandum of Understanding and Second Amendment to Lease in escrow until the refinancing is closed and the debt owed to Union State Bank in connection with the purchase of the Project is paid in full.

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NOW, THEREFORE, in consideration of the premises, the covenants contained herein and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. IDB hereby consents and raises no objection to E & T refinancing the Project with Regions and executing a mortgage in favor of Regions to accomplish the same.
2. Pursuant to paragraph 8.1(b) of the Lease, IDB hereby agrees to notify E & T and Regions of any default in the terms of the Lease and to afford E & T and Regions the opportunity to cure such defaults as provided for in Article X, Section 8.1(b) of the Lease. Upon written notice from E & T and Regions, IDB agrees to notify any subsequent assignee of the leasehold interest of E & T set forth in the Lease or any subsequent mortgagee thereof as provided in said Article X, Section 8.1(b).
3. There is no default under the Lease, and the annual rental installments are in the amount of \$2,400.00. Annual rental installments are paid current through the 1st day of April, 1998, and the next annual rental installment is not due until April 1, 1998.
4. IDB agrees to take whatever steps that are reasonably necessary, commensurate with the leasehold interest and its interest as lessor under the Lease, to maintain the tax exempt status of the Project.
5. IDB and E & T do hereby ratify, affirm and confirm in all respects all of the terms and conditions of the Lease, as amended hereby, and the parties agree that, with the exception of the express modifications and amendments set forth herein, the Lease shall remain in full force and effect and unchanged.
6. For purposes of notices by IDB or others under the Lease, the address for E & T shall be 1945 Hoover Court, Birmingham, Alabama 35226, and the address for Regions shall be Attention: Mr. Charles R. Herndon, P.O. Box 10247, Birmingham, Alabama 35202-0247.
7. The parties agree that since the expiration of the initial term of the Lease on March 1, 1991, as set forth in Article III, Section 3.1, the term of the Lease has been extended and renewed year to year pursuant to Article IX, Section 9.1 and has been and continues to be in full force and effect. The parties further agree that Article IX, Section 9.1 of the Lease is hereby deleted and the following is substituted in lieu thereof: Subject to the default provisions set forth in the Lease, including, but not limited to E & T's obligation to pay annual rental payments in the amount of \$2,400.00, the parties agree that the term of the Lease is hereby extended until March 31, 2011. This amendment does not affect E & T's right to purchase the Project from the IDB for \$1.00 at any time during the term of the Lease.


IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the 8th day of August, 1997.

INDUSTRIAL DEVELOPMENT BOARD OF THE
TOWN OF VINCENT, ALABAMA

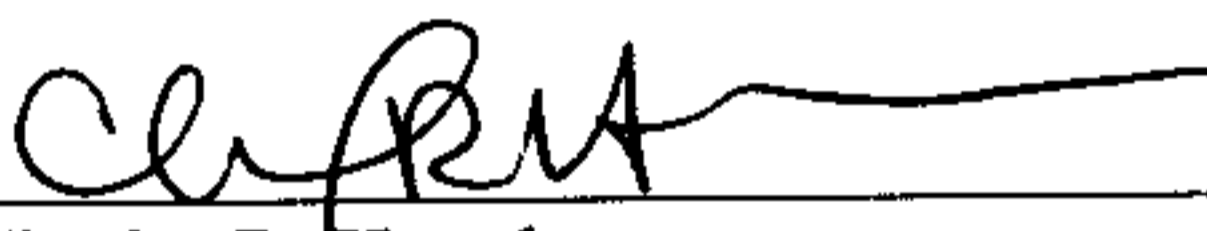
By:  (Seal)

Its Secretary-Treasurer

E & T REALTY COMPANY, an Alabama general
partnership

By:  (Seal)
John G. Beard
Its General Partner

REGIONS BANK, an Alabama banking corporation

By:  (Seal)
Charles R. Herndon
Its 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 John G. Beard, whose name as General Partner of E & T Realty Company, an Alabama general partnership, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of said conveyance, he, as such General Partner and with full authority, executed the same voluntarily for and as the act of said partnership, on the day the same bears date.

Given under my hand and official seal, this 8th day of August, 1997.

Beth O'Neill Roy

Notary Public

My commission expires: 11/22/2000

STATE OF ALABAMA)
COUNTY OF SHELBY)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that H. L. Conwill, whose name as Secretary-Treasurer of Industrial Development Board of the Town of Vincent, Alabama, a public corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of said conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation, on the day the same bears date.

Given under my hand and official seal, as of the 8th day of August, 1997.

Eva D. Morrey

Notary Public

My commission expires: 11/22/97

STATE OF ALABAMA)
COUNTY OF JEFFERSON)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Charles R. Herndon, whose name as Vice President of Regions Bank, an Alabama banking corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of said conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation, on the day the same bears date.

Given under my hand and official seal, this 8th day of August, 1997.

Beth O'Neill Roy

Notary Public

My commission expires: 11/22/2000

This document was prepared by:
Beth O'Neill Roy
Ogletree, Deakins, Nash, Smoak & Stewart
420 North 20th Street
Suite 1900
Birmingham, AL 35203-3204
(205) 328-1900

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