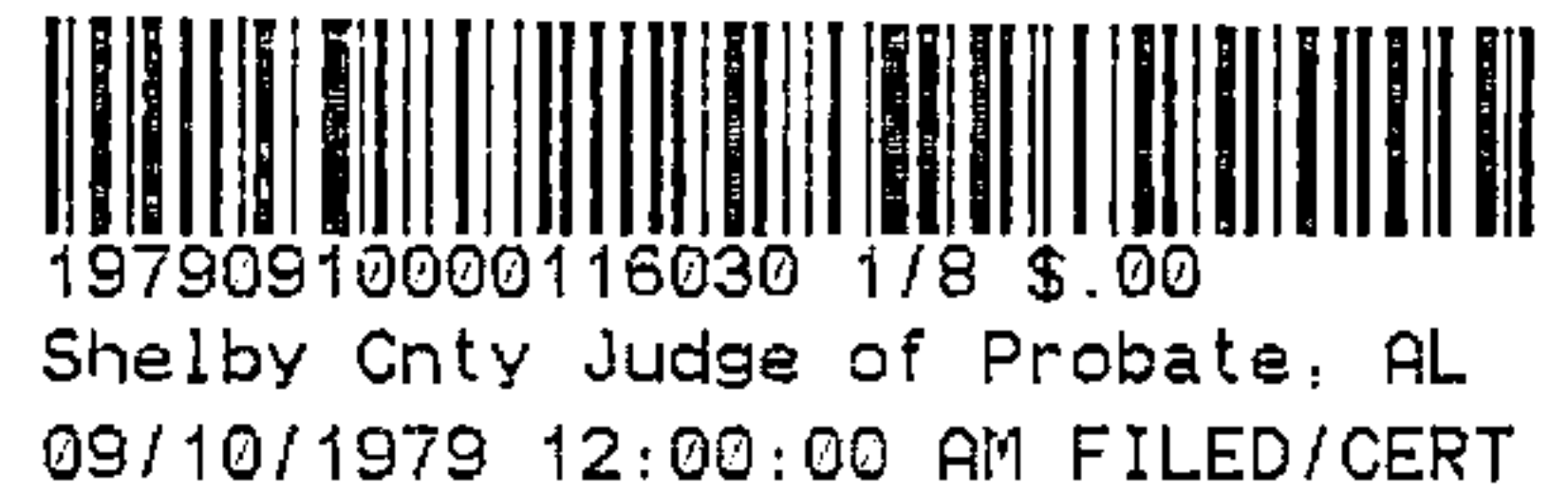


ASSIGNMENT

STATE OF ALABAMA  
COUNTY OF SHELBY

§  
§  
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This Assignment of Lease ("Assignment") dated August 22, 1979 is executed and delivered by Merchants Metals, Inc., a Delaware corporation (the "Company") to Texas Commerce Bank National Association, a national banking association (the "Bank").

W I T N E S S E T H:

RECITALS:

Under date of August 22, 1979, Criterion Metals Corporation, a Delaware corporation, hereinafter called the "Borrower" and the Bank entered into a Loan Agreement (the "Loan Agreement") providing for loans to be made by the Bank to the Borrower in the aggregate principal amount of up to \$15,000,000.00, such loans to be evidenced by promissory notes of the Borrower payable to the order of the Bank. Said notes, together with any and all renewals, extensions and rearrangements thereof, and all other indebtedness now or hereafter incurred by the Borrower under and pursuant to the Loan Agreement is hereinafter called the "Indebtedness". Reference is here made to the Loan Agreement for all purposes and the terms used herein shall have the same meanings as in the Loan Agreement, unless otherwise specifically indicated herein.

Pursuant to a guaranty (the "Guaranty") of even date herewith, the Company has guaranteed payment of the Indebtedness.

The Company, as Lessee, and Merchants, Inc., as Lessor, have entered into a Lease Agreement dated as of August 22, 1979 covering certain real property, together with all improvements thereon (the "Leased Premises"), situated in Shelby County, Alabama, being more fully described on Exhibit A attached

LIDDELL, SAPP, ZIVLEY & BROWN

ATTORNEYS  
500 GULF BUILDING  
HOUSTON, TEXAS 77002

hereto and made a part hereof for all purposes, which Lease, together with all modifications, amendments and renewals thereof is herein referred to as the "Lease".

As a condition to entering into the Loan Agreement, the Bank has required the Company to assign to the Bank as security for the Indebtedness and the Company's obligations under the Guaranty all of the Company's rights and interests under the Lease.

ASSIGNMENTS AND COVENANTS:

For and in consideration of the foregoing and the sum of Ten Dollars (\$10.00), and other good and valuable considerations, the Company does hereby assign and covenant as follows:

(1) The Company hereby TRANSFERS, ASSIGNS and CONVEYS unto the Bank all of the Company's right, title and interest in and to the Lease, but none of the Company's obligations thereunder. The Company agrees to deliver an executed copy of the Lease to the Bank contemporaneously with the execution of this Assignment and to cause a copy of the Lease to be recorded in the real property records of Shelby County, Alabama.

(2) This Assignment is made for the purpose of securing (a) payment of the Indebtedness and (b) performance and discharge of the Company's obligations, covenants and agreements under the Guaranty.

(3) The Company represents and warrants that, the Company is the sole and lawful owner of the entire Lessee's interest under the Lease, that the Lease is valid and enforceable and has not been altered, modified or amended in any manner whatsoever; that neither Merchants, Inc., hereinafter referred to as the "Lessor", nor the Company is in default under any of the terms, covenants or conditions of the Lease; and that the Company's interest under the Lease is assignable pursuant to the terms hereof.

(4) The Company covenants with the Bank to observe

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and perform all of the obligations imposed upon the Company under the Lease and not to do or permit to be done anything to impair the enforceability thereof, not to execute any other assignment or sublease of the Company's interest in the Lease; not to mortgage, pledge or in any way encumber its interest in the Lease; not to alter, modify or change the terms of the Lease without the prior written consent of the Bank, or to cancel or to terminate the Lease or take any action or allow any event to occur which would directly or indirectly cause a cancellation or termination of the Lease or result in the diminution of the obligations of the Lessor thereunder; at the Bank's request to assign and to transfer to the Bank any and all subsequent contracts or agreements relating to the Leased Premises or any improvements thereon and to execute and deliver, and to require the Lessor to execute and to deliver, at the request of the Bank all such further assurances and assignments in and to the Leased Premises as the Bank shall from time to time require; to renew and continue the Lease in full force and effect until all Indebtedness is fully paid and satisfied; and not to exercise, without the Bank's prior written consent, any right granted in the Lease to purchase all or any part of the Leased Premises.

(5) Default shall occur under this Assignment upon the happening of any of the following events or conditions, herein called an "Event of Default":

(a) Default by the Company in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Assignment, the Loan Agreement, any note secured hereby, including all extensions and renewals thereof, or any other agreements heretofore or hereafter executed by the Company securing any indebtedness secured hereby.

(b) Default by the Company in the punctual performance of any of the obligations, covenants, terms or provi-



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sions contained or referred to in the Lease.

(c) Any warranty, representation or statement contained in this Assignment, or made or furnished to the Bank by or on behalf of the Company in connection with this Assignment proves to have been false in any material respect when made or furnished.

(6) Upon or at any time after an Event of Default hereunder, the Bank may exercise any and all rights and remedies provided for in the Loan Agreement. In addition, the Company hereby authorizes the Bank at its option, upon the occurrence of an Event of Default and at any time thereafter, to enter upon the Leased Premises by its officers, agents, employees, or assigns for the purpose of operating, using and maintaining the Leased Premises subject to the terms and provisions of the Lease, this Assignment and the Lessor's Consent to Assignment attached hereto. The Company further authorizes the Bank to perform all acts necessary or desirable in connection with the operation, use and maintenance of the Leased Premises in the same manner and to the same extent as the Company may under the Lease. Further, the Company hereby authorizes the Bank at its option and without any obligation so to do, at any time after an Event of Default shall occur under the terms and provisions of this Assignment, to take such action in such manner and to such extent as the Bank may deem necessary to protect its interest hereunder, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the Lease, this Assignment, the security hereof and the rights and powers of the Bank hereunder, and also the right to perform and discharge each and every obligation, covenant and agreement of the Company contained in the Lease; and in exercising any such powers to pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees and the Company agrees to reimburse the Bank for all such

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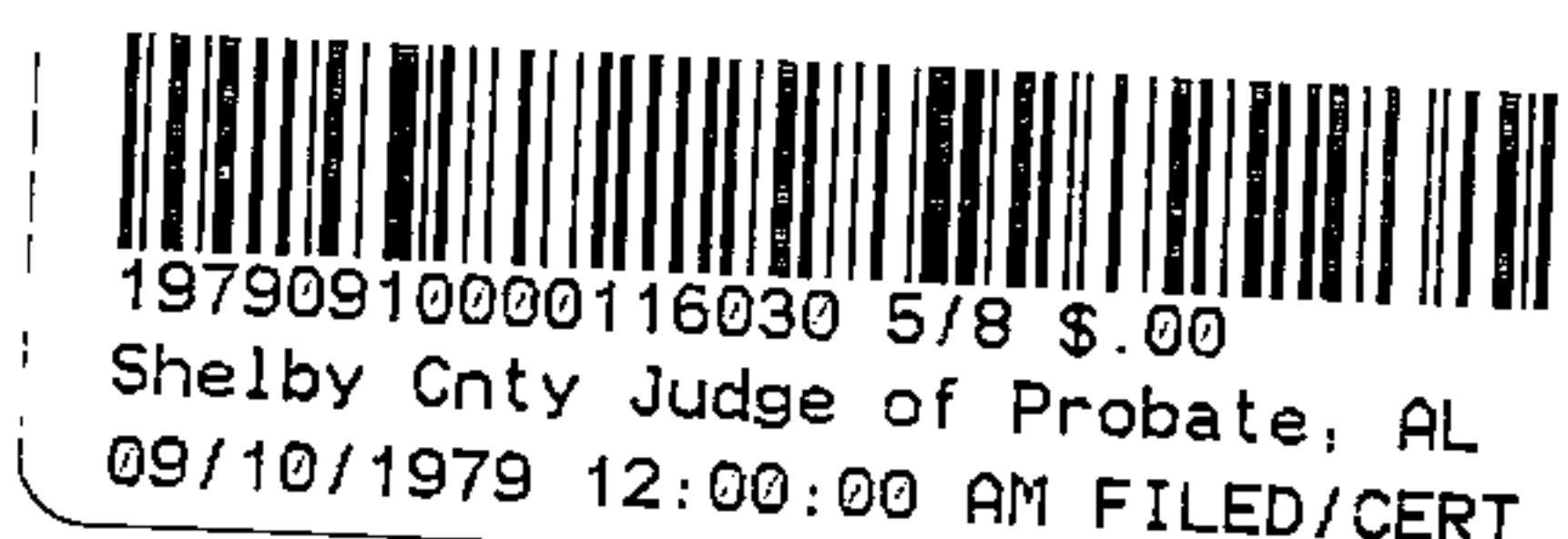
costs, expenses and fees.

(7) The Company hereby designates and appoints the Bank to be its true and lawful attorney-in-fact in its name, place and stead to enforce each and every provision of the Lease to be performed respectively by Lessor, with full power to institute any and all legal proceedings for the enforcement thereof; and in exercising any such powers to pay necessary costs and expenses, employ counsel and incur and pay reasonable attorneys' fees and the Company agrees to reimburse the Bank for all such costs, expenses and fees.

(8) This Assignment, prior to entry upon the Leased Premises by the Bank shall not operate to make the Bank, its successors or assigns, a mortgagee in possession nor to place responsibility for the control, care, management or repair of the Leased Premises upon the Bank nor for carrying out any of the terms and conditions of the Lease, nor shall it operate to make the Bank responsible or liable for any waste committed on the Leased Premises by the Company or other parties, or for any negligence in the management, upkeep, repair or control of the Leased Premises resulting in loss or injury or death to any party. No liability shall be asserted or enforced against the Bank all such liability being hereby expressly waived and released by the Company, and should any such action be brought against the Bank by reason of this Assignment, then the Company agrees to reimburse the Bank, immediately upon demand, for all costs, expenses and reasonable attorneys' fees incurred.

(9) None of the rights or remedies of the Bank under the instruments securing the Indebtedness shall be waived, delayed or in any way prejudiced by virtue of this Assignment, and this Assignment is intended to be cumulative and in addition to all other security for the Indebtedness.

(10) The Bank shall not be obligated to perform or discharge, nor does it hereby undertake to perform or dis-



charge, any obligation, duty or liability under the Lease or under or by reason of this Assignment and the Company shall and does hereby agree to indemnify and hold the Bank harmless of and from any and all liability, loss, damage or expense which it may or might incur under the Lease or by reason of this Assignment or any action taken hereunder, and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Lease. Should the Bank incur any such liability, loss, damage or expense under the Lease or under or by reason of this Assignment or any action taken hereunder or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees shall be secured hereby and the Company shall reimburse the Bank therefor immediately upon demand and upon the failure of the Company so to do the Bank may, at its option, declare all sums secured hereby immediately due and payable.

(11) Upon satisfaction of the Indebtedness hereby secured, this Assignment shall be deemed null and void and of no further force and effect.

(12) The Bank may assign all of its rights and interests under the Assignment and this Lessor's Consent to Assignment without the consent of the Company or Merchants. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, this instrument is executed as of the date and year first above written.

MERCHANTS METALS, INC.

By

*Richard F. Bacon*

ATTEST:

*Shelby A. Pettit*



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THE STATE OF TEXAS X  
COUNTY OF HARRIS X

I, Virginia K. Schuetz, a Notary Public in and for said county in said state, hereby certify that RICHARD F. BACON, whose name as a Vice President of MERCHANTS METALS, INC., a Delaware corporation, is signed to the foregoing Assignment and who is known to me, acknowledged before me on this day that, being informed of the contents of said Assignment, 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 seal of office the 2nd day of August, A.D. 1979.

(Notary Seal)

Virginia K. Schuetz  
Notary Public in and for  
Harris County, T E X A S

My Commission expires Jan. 31, 1980  
VIRGINIA K. SCHUETZ

RETURN TO:

Fred E. Croshaw  
Liddell, Sapp, Zivley & Brown  
500 Gulf Building  
Houston, Texas 77002



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Parcel 1.

Commence at the northeast corner of Sec. 27, T 21 S, R 1 W (axle in place); thence S 1° 44' E along the east boundary of the said Sec. 27, a distance 1187.69 feet to a point on the northwest right of way line of the Southern Railway System; thence turn an angle of 55° 51' to the right and run along the said northwest right of way line of the Southern Railway System a distance of 447.62 feet to a point on the north right of way line of Alabama Highway 70; thence turn an angle of 33° 00' to the right and run along the said north right of way line on Alabama Highway 70 a distance of 298.58 feet to the point of beginning of the parcel of land herein described; thence turn an angle of 91° 06' to the right and run along the east property line of the Shelby County property a distance of 993.59 feet to a point; thence turn an angle of 91° 06' to the left and run thence parallel to the north right of way line of the said Alabama Highway 70, a distance of 535.78 feet to a point; thence turn an angle of 90° 00' to the left and run a distance of 576.00 feet to a point (being the northwest corner of the Leon F. Kelly Company property); thence turn an angle of 90° 00' to the left and run along the north property line of the said Leon F. Kelly Company property a distance of 208.71 feet to a point (being the northeast corner of the said Leon F. Kelly Company property); thence turn an angle of 90° 00' to the right and run along the east boundary of the said Leon F. Kelly Company property a distance of 417.41 feet to a point on the north right of way line of the said Alabama Highway 70; thence turn an angle of 90° 00' to the left and run along the said north right of way line of Alabama Highway 70 a distance of 308.00 feet to the point of beginning.

Said parcel of land is lying the NE¼ of NE¼ and SE¼ of NE¼, Sec. 27, T 21 S, R 1 W and contains 10.00 acres.

Parcel 2.

Commence at the northeast corner of Sec. 27, T 21 S, R 1 W (axle in place); thence S 1° 44' E along the east boundary of the said Sec. 27, a distance of 1187.69 feet to a point on the northwest right of way line of the Southern Railway System; thence turn an angle of 55° 51' to the right and run along the said northwest right of way line of the Southern Railway System a distance of 447.62 feet to a point on the north right of way line of Alabama Highway 70; thence turn an angle of 33° 00' to the right and run along the north right of way line of the said Alabama Highway 70, a distance of 298.58 feet to a point; thence turn an angle of 91° 06' to the right and run along the east property line of the Shelby County property a distance of 993.59 feet to the point of beginning of the parcel of land herein described; thence turn an angle of 91° 06' to the left and run parallel to the said north right of way line of Alabama highway 70, a distance of 973.28 feet to a point; thence turn an angle of 90° 27' to the right and run a distance of 446.33 feet to a point; thence turn an angle of 89° 33' to the right and run parallel to the said north right of way line of Alabama Highway 70, a distance of 978.35 feet to a point; thence turn an angle of 91° 06' to the right and run 446.40 feet to the point of beginning. Said parcel of land is lying in the SW¼ of SE¼ and SE¼ of SE¼ of Sec. 22, T 21 S, R 1 W and in the NW¼ of NE¼ and NE¼ of NE¼, Sec. 27, T 21 S, R 1 W and contains 10.00 acres.



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STATE OF ALA. SHELBY CO.

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Exhibit "A" *Thomas W. Henderson*  
JUDGE OF PROBATE

*Rec. \$12.00*  
*Ind 1.00*  
*\$13.00*

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