This instrument prepared by: Timothy D. Davis Gordon, Silberman, Wiggins & Childs, P.C. 1400 SouthTrust Tower Birmingham, Alabama 35203 (205) 328-0640

STATE OF ALABAMA )
COUNTY OF SHELBY )

## ASSIGNMENT OF NOTE AND MORTGAGE

THIS ASSIGNMENT OF NOTE AND MORTGAGE is made this 30 day of August, 1994, by CONSUMER GUARANTY CORPORATION, a Nevada corporation (the "Guarantor") in favor of COLONIAL BANK, an Alabama state banking association (the "Lender").

## RECITALS:

WHEREAS, Guarantor executed and delivered in favor of the Lender that certain Guaranty of Payment and Performance dated June 24, 1994 (the "Guaranty") securing the payment and performance by Temco Metals, Inc., an Alabama corporation (the "Borrower"), under the Revolving and Term Loan Agreement dated June 24, 1994, by and between the Borrower and Lender (the "Loan Agreement") and the Notes and Security Documents (as defined in the Loan Agreement); and

WHEREAS, Guarantor executed and delivered to the Lender as security for its performance under the Guaranty a Mortgage and Security Agreement on property located in Shelby County, Alabama, which said Mortgage and Security Agreement is recorded as instrument 1994-20433 in the Office of the Judge of Probate of Shelby County, Alabama (the "Mortgage"); and

WHEREAS, Guarantor desires to substitute as security for its performance under the Guaranty an assignment of that certain Promissory Note dated August 17, 1994, in the amount of \$467,500.00 from Birmingham Bag Company, L.L.C. to Guarantor ("Promissory Note"), and that certain Real Estate Mortgage, Security Agreement and Financing Statement dated August 17, 1994, from Birmingham Bag

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Company, L.L.C., as Mortgagor, to Guarantor, as Mortgagee, which said Mortgage is recorded concurrently herewith in the office of the Judge of Probate of Shelby County, Alabama (the "BBC Mortgage"); and

WHEREAS, the Lender has agreed to accept the assignment of the Promissory Note and the BBC Mortgage as security for the payment and performance of the Guarantor under the Guaranty and release the Mortgage.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, as an inducement to the Lender to release the Mortgage, and as collateral security for the performance of its obligations under the Guaranty, Guarantor does hereby sell, assign, transfer and set over unto Lender, its successors and assigns, all of the Guarantor's right, title and interest in and to the Promissory Note and the BBC Mortgage.

Guarantor agrees that it will not modify or amend the terms of the Promissory Note or the BBC Mortgage, or forgive any payment due thereunder, without the prior written consent of the Lender, which consent may be withheld by Lender in its sole and absolute discretion.

Guarantor agrees that it will not assign the Promissory Note and BBC Mortgage to any other party, nor collect any prepayment under the Promissory Note without the written consent of the Lender, nor do any other act whereby the lien of the BBC Mortgage and this Assignment may, in the opinion of the Lender, be impaired in value or quality.

Guarantor further agrees that this Assignment is to remain in full force and effect so long as the Notes and any obligations of the Borrower pursuant to the Loan Agreement or under the Security Documents remain unpaid and may be enforced by Lender, whereupon, at Guarantor's request, it shall terminate and Lender shall record a release of this Agreement.

It is expressly understood and agreed by Guarantor and Lender that said Guarantor reserves, and is entitled to collect, payments under the Promissory Note, but not prior to, their accrual under the Promissory Note, and to retain, use and enjoy the same unless and until the Guarantor has defaulted in its obligations under the Guaranty, which shall constitute an "Event of Default" hereunder.

Guarantor does hereby authorize and empower Lender to collect, upon demand, after any Event of Default hereunder, all payments under the Promissory Note due or which may hereafter become due under or by virtue of the Promissory Note or the BBC Mortgage, and to take such action, legal or equitable, as may be deemed necessary to enforce payment under the Promissory Note. Birmingham Bag Company, L.L.C., the maker under the Promissory Note, in making such payments to Lender, shall be under no obligation to inquire into or determine the actual existence of any Event of Default claimed by Lender.

Any amount received or collected by Lender by virtue of this Assignment shall be applied for the following purposes, but not necessarily in the order named, priority and application of such funds being within the sole discretion of Lender:

- (1) to the payment of all necessary expenses for the collection of the payments due under the Promissory Note or foreclosure under the BBC Mortgage, if applicable;
- (2) to the payment of taxes and assessments levied and assessed against the property, the subject of the BBC Mortgage (the "Property"), as said taxes and assessments become due and payable;
- (3) to the payment of premiums due and payable on any insurance policy related to the Property;
- (4) to the payment of installments of principal and interest on the Notes as and when they become due and payable pursuant to the terms of the Notes, whether by acceleration or otherwise;
  - (5) to the payment of any other sums due to Lender; and
- (6) the balance remaining after payment of the above shall be paid to the Guarantor. Guarantor hereby agrees to indemnify Lender for, and to save it harmless from, any and all liability, loss or damage which Lender might incur by virtue of this Assignment, and from any and all claims and demands whatsoever which may be assessed against Lender as a result thereof, and, without limiting the generality of the foregoing, covenants that this Assignment, prior to any such default by said Guarantor, shall not operate to place responsibility for the control, care, management or repair of the Property, upon Lender, nor the carrying out of any of the terms and conditions of the BBC Mortgage; nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other party, or for any negligence in the management, upkeep, repair or control of said Property resulting in loss or injury or death to any tenant, licensee, invitee, employee, stranger or other person.

The terms "Notes", "Security Documents" and "Loan Agreement" shall refer to such instruments as they may hereafter be amended by Borrower and Lender. This agreement shall be binding upon the Guarantor, its successors and assigns and subsequent owners of the property, or any part thereof, and shall inure to the benefit of Lender, its successors and assigns and any holder of the Notes.

IN WITNESS WHEREOF, Guarantor has caused these presents to be properly executed by its duly authorized officer as of the day and year first above written.

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GUARANTOR:
CONSUMER GUARANTY CORPORATION
BY The Present The
STATE OF Alabanga ) COUNTY OF Jefferson )
I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Teffrey L. Sims , whose name as Executive V.P. of Consumer Guaranty Corporation, a Nevada 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 official seal, this the 30% day of Quarant, 1994.
Given under my nand and official seal, this the Court day of Court day of
Notary Public  My Commission Expires: 2-/3-95
My Commission Expires: \( \sqrt{-10-10} \)

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