This Assignment of Leases is for additional security to secure Promissory Notes which are also secured by a Mortgage and Security Agreement recorded concurrently herewith.

This instrument prepared by, and after recordation should be returned to:

Peter E. Barber, Esq. Wallace, Jordan, Ratliff, Byers & Brandt, L.L.C. SouthBridge Building - Suite 525 2000 SouthBridge Parkway Birmingham, Alabama 35209 Inst \* 1377 18962 AM CERTIFIED SHELBY COUNTY JUDGE OF PROBATE SHELBY COUNTY JUDGE OF PROBATE

# ASSIGNMENT OF LEASES, RENTS AND PROFITS

This Assignment is made this <u>1</u> day of September, 1995, by VULCAN ELECTRO-COATING, INC., an Alabama corporation, whose address is P.O. Box 500 County Highway 70, Columbiana, Alabama 35051 ("Assignor"), to FIRST COMMERCIAL BANK, an Alabama state banking corporation, whose address is 2000 SouthBridge Parkway, Birmingham, Alabama 35202-1746 ("Assignee").

#### WITNESSETH:

WHEREAS, Assignor has executed and delivered to Assignee a Promissory Note in the principal sum of Two Hundred Twenty Thousand and No/100 Dollars (\$220,000.00) of even date herewith, a promissory note in the principal sum of Four Hundred Ten Thousand Four Hundred Eighty and No/100 Dollars (\$410,480.00) dated January 26, 1989, and a promissory note in the principal sum of Seventy-Five Thousand Thirty-Five and No/100 Dollars (\$75,035.00) dated December 10, 1994 (hereinafter, together with all amendments thereto and any extensions, renewals, modifications, substitutions and/or increases thereof, called the "Notes") and, as security for the payment of the Notes, Assignor has executed and delivered to Assignee a Mortgage and Security Agreement (hereinafter, together with all amendments thereto and modifications thereof, called the "Mortgage") of

even date herewith covering certain real property located in Shelby County, State of Alabama, and more particularly described in Exhibit "A" which is attached hereto and incorporated by reference herein, together with all buildings, improvements and other property more particularly described in the Mortgage, and all fixtures, furnishings, machinery, equipment and other tangible property now owned or hereafter acquired by Assignor and located on or used in connection with such real property (all of which real and personal properties are hereinafter called the "Mortgaged Property"). The Mortgage and all other agreements now or hereafter evidencing, governing or securing the loan evidenced by the Notes are hereinafter collectively called the "Security Instruments" and singularly called a "Security Instrument"; and

WHEREAS, in connection with the loans evidenced by the Notes, Assignee has required that Assignor assign to Assignee all of Assignor's right, title and interest in, to and under any and all leases or subleases, whether written or oral (hereinafter collectively referred to as the "Leases" and singularly as a "Lease"), now or hereafter in existence and as amended or supplemented from time to time and covering space in or applicable to the Mortgaged Property, including without limitation the Leases, if any, listed in Exhibit "B", which is attached hereto and incorporated by reference herein, and Assignor desires and intends by this instrument to assign to Assignee all of Assignor's right, title and interest in, to and under the Leases.

NOW THEREFORE, in consideration of the sum of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to provide a direct and continuing source of payment of the principal of, and interest on, the Notes, all other sums, with interest thereon, becoming due and payable to Assignee under the provisions of the Notes and the Security Instruments, and to ensure the performance and observance by Assignor of each and every term, covenant, agreement and condition contained in the Notes and in the Security Instruments, Assignor agrees as follows:

set over unto Assignee, its successors and assigns, all of the right, title and interest of Assignor in, to and under the Leases, together with all rents, earnings, income, profits, benefits, security deposits and advantages arising from the Mortgaged Property or from the Leases and all other sums due or to become due under and pursuant thereto and together with any and all guarantees of or under any of the Leases, and together with all rights, powers, privileges, options and other benefits of Assignor as lessor under the Leases, including without limitation the immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, condemnation awards, insurance proceeds, moneys and security payable or receivable under the Leases or pursuant to any of the provisions thereof whether as rent or otherwise; the right to accept or reject any offer made by any tenant pursuant to its Lease to purchase the Mortgaged Property and any other property subject to the Lease as therein provided and to perform all other necessary or appropriate acts with respect to such purchases as agent and attorney-in-fact for Assignor, and the right to make all waivers and agreements, to give and receive all notices, consents and releases,

to take such action upon the happening of a default under any Lease, including the commencement, conduct and consummation of proceedings at law or in equity as shall be permitted under any provision of any Lease or by any law, and to do any and all other things whatsoever which the Assignor is or may become entitled to do under any such Lease. This Assignment is made by Assignor to provide a direct and continuing source of payment (currently and in the future) of the indebtedness evidenced by the Notes, and this instrument constitutes an absolute, unconditional and presently effective assignment of the rents arising from the Mortgaged Property. Notwithstanding the provisions of this Paragraph 1, so long as there shall exist no default in the performance of any obligation, covenant or agreement herein contained or in the Notes, the Leases or any of the Security Instruments, or until Assignee otherwise shall revoke the license granted hereby, Assignee hereby grants to Assignor a license to collect and receive all rents, issues, profits and other sums under and by virtue of any Lease (but only as the same become due under the provisions of such Lease) and Assignor shall apply the funds so collected first to the payment of all sums payable by Assignor to Assignee pursuant to the terms of the Notes and to the payment of all other indebtedness secured by any of the Security Instruments, and thereafter, so long as no default under the Notes or any of the Security Instruments has occurred, the balance shall be distributed to the account of Assignor. During the continuance of a default under the Notes or any of the Security Instruments, the license granted to Assignor herein shall be automatically revoked. It shall not be necessary for Assignee to institute legal proceedings of any kind whatsoever to enforce the provisions of this Assignment.

- shall remain in full force and effect until: (a) the payment in full of all principal, interest (including but not limited to accrued and deferred interest) and premium, if any, on the Notes; (b) the payment in full of all other sums, with interest thereon, due and payable to Assignee under the provisions hereof, of the Notes and the Security Instruments, and (c) the performance and observance by Assignor of all of the terms, covenants and conditions to be performed or observed by Assignor under the Notes and the Security Instruments.
- represents, warrants, covenants and agrees that: (a) Assignor has good right and authority to make this Assignment; (b) Assignor has not heretofore alienated, assigned, pledged or otherwise disposed of or encumbered the Leases or any of the sums due or to become due thereunder and Assignor has not performed any acts or executed any other instruments which might prevent Assignee from operating under any of the terms and conditions of this Assignment or which would limit Assignee in such operation; (c) Assignor has not accepted or collected rent or any other payments under any Lease in advance of the time when the same shall become due under the terms of said Lease; (d) Exhibit "B" attached hereto is a true, correct and complete list of all Leases existing as of the date hereof and the Schedules to Exhibit "B" are true and correct copies of such Leases with all amendments and modifications thereto; (e) Assignor has not executed or granted any amendment or modification whatever of any of the Leases, either orally or in writing, except as has been disclosed in writing to Assignee; (f) there is no default under any of the Leases now existing and no

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event has occurred and is continuing which, with the lapse of time or the giving of notice or both, would constitute an event of default under any of the Leases; (g) Assignor will observe, perform and discharge, duly and punctually, all and singular the obligations, terms, covenants, conditions and warranties of the Notes, this Assignment or any of the Security Instruments and any Lease, on the part of the Assignor to be kept, observed and performed; (h) Assignor will enforce the performance of each and every obligation, term, covenant, condition and agreement in said Leases to be performed by any tenant; (i) Assignor will appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with the Leases, or the obligations, duties or liabilities of Assignor or any tenant thereunder and upon request by Assignee will do so in the name and behalf of Assignee, but at the expense of Assignor; (j) Assignor will, upon the request of Assignee, execute and deliver to Assignee such further instruments and do and perform such other acts and things as Assignee may deem reasonably necessary or appropriate to make effective this Assignment and the various covenants of Assignor herein contained and to more effectively vest in and secure to Assignee the sums due or hereafter to become due under the Leases, including, without limitation, the execution of such additional assignments as shall be deemed necessary by Assignee to effectively vest in and secure to Assignee all rents, income and profits from any and all Leases; (k) Assignor will from time to time, upon demand therefor, deliver to Assignee an executed counterpart of each and every Lease then affecting all or any portion of the Mortgaged Property; and (l) in the event any warranty or representation of Assignor herein shall be false, misleading or materially inaccurate or Assignor shall default in the observance or performance of any obligation, term, covenant or condition hereof, then, in each instance at the option of Assignee, the same shall constitute and be deemed to be a default under the Notes and the Security Instruments, thereby giving Assignee the absolute right to declare all sums secured thereby and hereby immediately due and payable and to exercise any and all rights and remedies provided thereunder and hereunder as well as such remedies as may be available at law or in equity.

NO OTHER ASSIGNMENTS. Assignor covenants and agrees that it will not, without in each instance the prior written consent of Assignee: (a) enter into any Lease for a period of more than one year on terms and conditions which have not been approved in advance by Assignee; (b) cancel any Lease nor accept a surrender thereof without the prior written consent of the Assignee; (c) reduce the rent payable under any Lease nor accept payment of any installment of rent in advance of the due date thereof; (d) change, amend, alter or modify any Lease or any of the terms or provisions thereof, nor grant any concession in connection therewith; (e) consent to the release or reduction of the obligations of the tenant under any Lease; (f) assign, pledge, encumber or otherwise transfer any Lease or Assignor's rights thereunder; (g) consent to an assignment of tenant's interest under any Lease or to a subletting thereof, except to the extent any such assignment or subletting is specifically authorized by such Lease; (h) do or permit to be done anything to impair the security of any Lease; or (i) incur any indebtedness for borrowed money or otherwise to the tenant or guarantor of any Lease which may under any circumstances be availed of as an offset against the rent or other payments due thereunder without the prior written consent of the Assignee; and any of the above acts, if done without the consent of

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Assignee, shall be, at the option of Assignee, null and void, and shall constitute a default hereunder and under the Notes and other Security Instruments.

- 5. AUTHORIZATION OF TENANTS. Assignor hereby consents to and irrevocably authorizes and directs the tenants under the Leases and any successor to the interest of any of said tenants, upon demand and notice from Assignee of Assignee's right to receive the rents and other amounts under such Leases, to pay to Assignee the rents and other amounts due or to become due under the Leases, and said tenants shall have the right to rely upon such demand and notice from Assignee and shall pay such rents and other amounts to Assignee without any obligation or right to determine the actual existence of any default or event claimed by Assignee as the basis for Assignee's right to receive such rents and other amounts and notwithstanding any notice from or claim of Assignor to the contrary, and Assignor shall have no right to claim against said tenants for any such rents and other amounts so paid by said tenants to Assignee.
- EVENTS OF DEFAULT AND REMEDIES. Upon the occurrence of a default under the Notes or any of the Security Instruments, Assignee, at its option, shall have the complete right, power and authority (a) without taking possession, to demand, collect and receive and sue for the rents and other sums payable under the Leases and, after deducting all reasonable costs and expenses of collection (including, without limitation, attorneys' fees) as determined by Assignee, apply the net proceeds thereof to the payment of any indebtedness evidenced by the Notes; (b) to declare all sums secured hereby immediately due and payable, and, at its option, exercise any or all of the rights and remedies contained in the Notes and in the Security Instruments; and (c) without regard to the adequacy of the security, with or without process of law, personally or by agent or attorney, or by Assignee under the Mortgage, or by a receiver to be appointed by court, then and thereafter to enter upon, take and maintain possession of and operate the Mortgaged Property, or any part thereof, together with all documents, books, records, papers, and accounts relating thereto and exclude Assignor and its agents and servants therefrom and hold, operate, manage and control the Mortgaged Property or any part thereof as fully and to the same extent as Assignor could do if in possession and in such event, without limitation and at the expense of Assignor, from time to time, cause to be made all necessary or proper repairs, renewals, replacements, useful alterations, additions, betterments and improvements to the Mortgaged Property, or any part thereof, as Assignee deems judicious, and pay taxes, assessments and prior or proper charges on the Mortgaged Property, or any part thereof, and insure and reinsure the same, and lease the Mortgaged Property, or any part thereof, for such terms and on such terms as Assignee deems desirable, including leases for terms expiring beyond the maturity of the indebtedness secured by the Security Instruments and cancel any Lease or sublease thereof for any cause or on any ground which would entitle Assignor to cancel the same. Assignee may apply rents and other sums payable under the Leases to the payment of any cost or expense incurred hereunder.
- 7. APPLICATION OF RENTS. After payment of all proper charges and expenses, including the just and reasonable compensation for the services of Assignee, its

attorneys, agents, and others employed by Assignee in connection with the operation, management and control of the Mortgaged Property and the conduct of the business thereof, and such further sums as may be sufficient to indemnify Assignee from and against any liability, loss or damage on account of any matter or thing done in good faith in pursuance of the rights and powers of Assignee hereunder, Assignee may, at its option, credit the net amount of income which Assignee may receive by virtue of this Assignment and from the Mortgaged Property to any and all amounts due or owing to Assignee from Assignor under the terms and provisions of the Notes and the Security Instruments. In no event will this Assignment reduce the indebtedness evidenced by the Notes, or otherwise secured by the Security Instruments, except to the extent, if any, that such rents and other sums payable under the Leases are actually received by Assignee and applied after receipt to such indebtedness. The balance, if any, of such net income shall be released to or upon the order of Assignor. The manner of the application of such net income and the item or items which shall be credited shall be within the sole discretion of Assignee.

- Assignee of this Assignment, with all of the rights, powers, privileges and authority so created, shall neither be deemed nor construed to constitute Assignee a mortgagee in possession nor at any time or in any event to impose any obligation whatsoever upon Assignee to appear in or defend any action or proceeding relating to the Leases or the Mortgaged Property, or to take any action hereunder, or to expend any money or incur any expenses, or perform or discharge any obligation, duty of liability under the Leases, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Assignor by any tenant and not assigned and delivered to Assignee or render Assignee liable in any way for any injury or damage to person or property sustained by any person or entity in, on or about the Mortgaged Property.
- 9. NON-WAIVER. Assignor agrees that the collection of rents and the application thereof as aforesaid or the entry upon and taking of possession of the Mortgaged Property, or any part thereof, by Assignee shall not cure or waive any default, or waive, modify or affect any notice of default under the Notes or the Security Instruments, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by Assignee, once exercised, shall continue for so long as Assignee shall elect. If Assignee shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.
- Assignee hereunder are cumulative and not in lieu of, but are in addition to, any rights or remedies which Assignee shall have under the Notes, any of the Security Instruments, or at law or in equity, which rights and remedies may be exercised by Assignee either prior to, simultaneously with, or subsequent to, any action taken hereunder. The rights and remedies of Assignee may be exercised from time to time and as often as such exercise is deemed expedient, and the failure of Assignee to avail itself of any of the terms, provisions and

conditions of this Assignment for any period of time, at any time or times, shall not be construed or deemed to be a waiver of any rights under the terms hereof. Assignee may take or release other security, may release any party primarily or secondarily liable for any indebtedness secured by the Security Instruments, may grant extensions, renewals or indulgences with respect to such indebtedness, and may apply any other security therefor held by it to the satisfaction of such indebtedness without prejudice to any of its rights hereunder.

- the rents assigned hereunder or to take possession of the Mortgaged Property, or to exercise any of the rights or powers herein granted to Assignee shall, to the extent not prohibited by law, also extend to the period from and after the filing of any suit to foreclose the lien created under any of the Security instruments which cover the Mortgaged Property, including any period allowed by law for the redemption of the Mortgaged Property after any foreclosure sale.
- 12. ASSIGNEE INDEMNIFIED. Assignor shall indemnify and hold Assignee harmless of, from and against any and all liability, loss, damage or expense, which Assignee may or might incur under or by reason of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on the part of Assignee to perform or discharge any of the terms, covenants or agreements contained in the Leases, except any which are the result of the gross negligence or willful misconduct of Assignee. Should Assignee incur any such liability, loss or damage under or by reason of this Assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the same rate of interest as provided in the Notes with respect to the principal indebtedness of Assignor to Assignee, shall be secured by this Assignment and by the Security Instruments, and Assignor shall reimburse Assignee therefor immediately upon demand, and upon failure of Assignor so to do, Assignee may declare all sums secured hereby immediately due and payable.
- 13. NOTICES. Any notice or other written communication required or permitted to be given in writing and shall be effective upon receipt (i) if delivered in person or by telecopy; or (ii) if sent by mail, properly addressed and postage prepaid, as follows:

If to Assignor:

Vulcan Electro-Coating, Inc.

P.O. Box 370203

Birmingham, Alabama 35237

Telecopy: 424-2267

With a copy to:

Joanne E. Boyd, Esq.

2972 Pumphouse Road

Birmingham, Alabama 35243

Telecopy: 205-967-1686

If to Assignee:

First Commercial Bank

2000 SouthBridge Parkway

P.O. Box 11746

Birmingham, Alabama 35202-1746

Attention: President Telecopy: 205-868-4898

With a copy to:

Peter E. Barber, Esq.

Wallace, Jordan, Ratliff, Byers & Brandt, L.L.C.

2000 SouthBridge Parkway, Suite 525

Birmingham, Alabama 35209 Telecopy: 205-871-7534

- able by Assignee and all representations, warranties, covenants, powers and rights herein contained shall be binding upon, and inure to the benefit of, Assignor and Assignee and their respective successors and assigns.
- 15. COUNTERPARTS. This Assignment may be executed, acknowledged and delivered in any number of counterparts and each such counterpart shall constitute an original, but together such counterparts shall constitute only one instrument.
- Assignment, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Assignment and all other applications of any such provision shall not be affected thereby.
- sale, conveyance, transfer or exchange of all or a part of the Mortgaged Property, the term "Assignor" as used herein shall include the transferee or grantee in such transaction. The preceding sentence shall not be deemed to permit any sale, conveyance, transfer or exchange which is prohibited or restricted by the terms of any Security Instrument.
- 18. INCORPORATION OF EXHIBITS. All exhibits attached hereto are by this reference incorporated fully herein. The term this Assignment" shall be deemed to include all such exhibits.
- 19. GOVERNING LAW. This Assignment shall be governed by and construed under the laws of the State of Alabama, except to the extent any law, rule or regulation of the federal government of the United States of America may be applicable, in which case such federal law, rule or regulation shall control.

20. CONFLICT OF TERMS. In case of any conflict between the terms of this Assignment and the terms of the Mortgage, the terms of this Assignment shall control.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the date first above written.

By:

VULCAN ELECTRO-COATING, INC., an Alabama corporation

David R. Boyd
Its President

STATE OF ALABAMA	)
-	)
JEFFERSON COUNTY	Ś

I, the undersigned, a Notary Public in and for said County and State, hereby certify that David R. Boyd, whose name as President of Vulcan Electro-Coating, 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  $\frac{31^{\frac{5}{3}}}{2}$  day of August, 1995.

Notary Public

[NOTARIAL SEAL]

My commission expires:\_\_\_\_\_

NOTARY PUBLIC STATE OF ALABAMA AT LARGE.
MY COMMISSION EXPIRES: July 15, 1998.
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#### EXHIBIT A

COMMENCE AT THE NORTHEAST CORNER OF SECTION 27. TOWNSHIP 21 SOUTH, RANGE 1 WEST; THENCE RUN SOUTHERLY ALONG THE EAST BOUNDARY LINE OF SAID SECTION 27 A DISTANCE OF 1187.69 FEET TO A POINT ON THE NORTHWEST RIGHT-OF-WAY LINE OF NORFOLK SOUTHERN RAILROAD; THENCE TURN AN ANGLE OF 55°51'00" TO THE RIGHT AND RUN SOUTHWESTERLY ALONG THE SAID NORTHWEST RIGHT-OF-WAY LINE OF NORFOLK SOUTHERN RAILROAD A DISTANCE OF 447.62 FEET TO A POINT ON THE NORTHERN RIGHT-OF-WAY LINE OF ALABAMA HIGHWAY NO. 70; THENCE TURN AN ANGLE OF 33°00'00" TO THE RIGHT AND RUN WESTERLY ALONG THE SAID NORTHERN RIGHT-OF-WAY LINE OF ALABAMA HIGHWAY NO. 70 A DISTANCE OF 298.58 FEET TO THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED; THENCE TURN AN ANGLE OF 91°05'53" TO THE RIGHT AND RUN NORTHERLY A DISTANCE OF 1439.24 FEET TO A POINT; THENCE TURN AN ANGLE OF 91"06"28" TO THE LEFT AND RUN WESTERLY A DISTANCE OF 977.43 FEET TO A POINT ON THE EASTERN RIGHT-OF-WAY LINE OF McDOW ROAD; THENCE TURN AN ANGLE OF 89°23'51" TO THE LEFT AND RUN SOUTHERLY ALONG THE SAID EASTERN RIGHT-OF-WAY LINE OF McDOW ROAD A DISTANCE OF 446.33 FEET TO A POINT; THENCE TURN AN ANGLE OF 90°41'55" TO THE LEFT AND RUN EASTERLY A DISTANCE OF 437.93 FEET TO A POINT; THENCE TURN AN ANGLE OF 90°06'59" TO THE RIGHT AND RUN SOUTHERLY A DISTANCE OF 576.16 FEET TO A POINT: THENCE TURN AN ANGLE OF 90° TO THE LEFT AND RUN EASTERLY A DISTANCE OF 208.71 FEET TO A POINT; THENCE TURN AN ANGLE OF 90° TO THE RIGHT AND RUN SOUTHERLY A DISTANCE OF 417.41 FEET TO A POINT ON THE NORTHERN RIGHT OF WAY LINE OF ALABAMA HIGHWAY NO. 70; THENCE TURN AN ANGLE OF 90°03'58" TO THE LEFT AND RUN EASTERLY ALONG THE SAID NORTHERN RIGHT-OF-WAY LINE OF ALABAMA HIGHWAY NO. 70 A DISTANCE OF 308.00 FEET TO THE POINT OF BEGINNING. SAID PARCEL OF LAND BEING A PART OF THE SE'4 OF SE'4, AND THE SW'4 OF SE'4, OF SECTION 22, TOWNSHIP 21 SOUTH, RANGE 1 WEST AND ALSO A PART OF THE NE'4 OF NE'4 AND NW'4 OF NE'4 OF SECTION 27, TOWNSHIP 21 SOUTH RANGE 1 WEST AND CONTAINS 19.99 ACRES.

### EXHIBIT "B"

### TO

# ASSIGNMENT OF LEASES, RENTS AND PROFITS

## Leases Assigned

<u>Landlord</u> <u>Date</u> <u>Tenant</u>

Vulcan Electro-Coating, Inc.

August 30, 1995 Gregory D. Berquist

Inst # 1995-24367

09/05/1995-24367 10:04 AM CERTIFIED SHELBY COUNTY JUDGE OF PROBATE 011 MCD 33.50