

STATE OF ALABAMA)
SHELBY
JEFFERSON COUNTY)

ASSIGNMENT OF LEASEHOLD INTERESTS
(Additional Collateral)

THIS ASSIGNMENT OF LEASEHOLD INTERESTS is made as of the 30, day of January, 1996, by and among Moore-Handley, Inc., a Delaware corporation (the "Assignor"), to First Alabama Bank, Birmingham, Alabama, an Alabama banking corporation (the "Bank"), as evidenced by that certain master promissory note (the "Note") dated January 30, 1996 in the principal sum of TWO MILLION AND NO/100 DOLLARS (\$2,000,000.00), payable to the order of the Bank and executed by the Assignor, which indebtedness (the "Indebtedness") is described in that certain Construction and Permanent Loan Agreement dated January 30, 1996 (the "Loan Agreement"), executed by the Assignor and the Bank. This Assignment of Leasehold Interest (the "Assignment"), the Loan Agreement, and all other instruments further securing the Indebtedness are hereinafter collectively referred to as the "Security Documents." This Assignment is additional collateral.

R E C I T A L S

A. The Industrial Development Board of the Town of Pelham, Alabama (the "Board") and Assignor (also referred to as the "Lessee") entered into a series of Lease Agreements dated as of December 1, 1981, December 1, 1982, and December 1, 1986, as recorded in the Probate Office of Shelby County, Alabama, as more fully shown on Exhibit "A," attached hereto (the "Leases"), wherein the Board leased to Assignor certain commercial real property, buildings and equipment (the "Equipment") located in Shelby County, Alabama, as more particularly described on Exhibit "B" attached hereto and made a part hereof (the "Project").

B. The Board issued its Industrial Development Revenue Bonds (Moore-Handley Project), Series 1981, 1982, and 1986, in the aggregate principal amount of \$9,050,000.00 (the "Bonds"), pursuant to Mortgage and Trust Indentures, dated as of December 1, 1981, December 1, 1982, and December 1, 1986 between the Board and First Alabama Bank, as Trustee (the "Trustee"), as recorded in the Probate Office of Shelby County, Alabama, as more fully shown on Exhibit "A," attached hereto (the "Indentures"), for the purpose of financing the costs of acquiring, constructing and equipping the Project.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor agrees as follows:

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1. Assignor does hereby grant, transfer and assign to the Bank the Assignor's leasehold estate in the Equipment under the Leases, including, without limitation, the Assignor's option to purchase the Equipment contained in the Leases. These rights are assigned as security, and this Assignment shall be null and void if the Indebtedness is paid in full.

2. Assignor represents and warrants to the Bank that:

- a. Assignor has good title to its leasehold estate in the Equipment under the Leases and good right to assign its leasehold interest in the Equipment under the Leases and the option in favor of Assignor to purchase the Equipment under the Leases;
- b. No other person, corporation or entity has any right, title or interest in the Leases (as Lessee) or in the options (as optionee), hereby assigned, except the Trustee;
- c. All and singular the terms, covenants, conditions and warranties of the Leases on the part of Assignor, thereunder have been duly and punctually performed, kept, and observed by Assignor;
- d. No previous sale, assignment, transfer, mortgage or pledge of the Leases and the options hereby assigned is superior to the assignment of the options in the Leases hereunder;
- e. All of the terms and conditions of the Leases are in full force and effect; and
- f. Assignor is not in default under the Leases.

3. To protect the security of this Assignment, Assignor covenants and agrees:

- a. To observe, perform and discharge all obligations, covenants and warranties provided for under the terms of the Leases to be kept, observed and performed by Assignor thereunder and to give prompt notice to the Bank in the event Assignor fails to observe, perform and discharge the same;
- b. To enforce or secure the performance of each and every obligation, term, covenant, condition and agreement to be performed by the Lessor under the terms of the Leases;

- c. To appear in and defend any action or proceeding arising under, or occurring out of, or in any manner connected with the Leases or the obligations, duties or liabilities of Assignor thereunder, and, upon request by the Bank, to do so in the name and on behalf of the Bank but at the expense of Assignor, and to pay all costs and expenses of the Bank, including reasonable attorney's fees, in any action or proceeding in which the Bank may appear with regard to the Leases or the rights granted herein; and
- d. Not to pledge, transfer, mortgage or otherwise encumber or assign the rights granted to the Bank hereunder during the term hereof.

4. It is a condition of the granting of these powers, benefits and privileges, and of the making of this Assignment, and the Bank by the acceptance of this Assignment so agrees that, until an act of default shall be made by Assignor in the performance of any of the agreements, covenants and promises in the Note, the Loan Agreement or any of the Security Documents, including the making of the payments as set out in said Note, Assignor may, with the prior written consent of the Bank, exercise the options in the Leases pertaining to the Equipment; but it is covenanted and agreed by Assignor, for the consideration aforesaid, upon or at any time after default in the payment of any Indebtedness secured hereby or in the observance or performance of any obligation, covenant or warranty set forth herein, in the Loan Agreement, or in any Security Document, or the occurrence of any event of default under the terms of any of the Note, the Loan Agreement, or any Security Document, the Bank, at its option, shall have the right, power and authority to exercise and enforce any or all of the following rights and remedies:

- a. To require the Assignor to exercise the Options to Purchase the Equipment as set forth in the Leases in favor of the Bank and to execute such documents as might be required in order to vest fee simple title to the Equipment in the Bank's name;
- b. To give proper receipts, releases and acquittance therefor, after deducting all necessary and reasonable costs and expenses of collection, including reasonable attorney's fees;
- c. To apply the net proceeds from the sale of the Equipment, and any funds of Assignor deposited with the Bank, upon any Indebtedness secured hereby, or by the Security Documents and in such order as the Bank may determine; and

- d. To declare all sums secured hereby immediately due and payable and, at its option, to exercise all of the rights and remedies provided for in the Note, in the Loan Agreement, in the Security Documents, or under the terms hereof.

5. This Assignment shall remain in effect as long as any part of the Indebtedness remains unpaid and upon the payment in full of said Indebtedness the Bank shall execute a release of this assignment upon the written request and at the expense of Assignor. This Assignment shall inure to the benefit of and bind the parties hereto and their respective heirs, successors and assigns.

Executed the day and year first above written.

ASSIGNOR:

MOORE-HANDLEY, INC.

By: 
Its: VICE PRESIDENT

TRUSTEE'S CONSENT TO ASSIGNMENT

First Alabama Bank, an Alabama banking corporation, as Trustee under the Indentures, between the Board and the Trustee, hereby acknowledges and consents to the foregoing Assignment of Leasehold Interests to First Alabama Bank as further security for the Loan Agreement from First Alabama Bank to Assignor.

IN WITNESS WHEREOF, First Alabama Bank, as Trustee, has caused this Consent to Assignment to be executed in its corporate name by its duly authorized officer on this the 31st day of January, 1996.

FIRST ALABAMA BANK, an Alabama
banking corporation, Trustee

By: Patricia H. Shelton
Its: Corporate Trust Officer

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that L. WARD EDWARDS, whose name as VICE PRESIDENT of Moore-Handley, Inc., a Delaware 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 the said corporation.

Given under my hand and official seal this 30th day of JANUARY, 1996.

Jacqueline Sue Childs
Notary Public
My Commission Expires: 7-8-97

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Patricia H. Hakes, whose name as Corporate Trust Officer of First Alabama Bank, as Trustee, an Alabama 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 the said corporation.

Given under my hand and official seal this 31st day of January, 1996.

Jo Ann Jordan
Notary Public
My Commission Expires: 3-7-98

This Instrument Prepared By:
Richard P. Carmody
Lange, Simpson, Robinson & Somerville
1700 First Alabama Bank Building
Birmingham, Alabama 35203

EXHIBIT "A"

RECORDATION INFORMATION

A. Lease Agreements

	<u>Date</u>	<u>Place</u>	<u>Book</u>	<u>Page</u>	<u>Recordation Date</u>
1.	12/1/81	Shelby Cty.	337	64	12/31/81
2.	12/1/82	Shelby Cty.	344	182	12/27/82
3.	12/1/86	Shelby Cty.	107	552	12/30/86

B. Mortgage and Trust Indentures

	<u>Date</u>	<u>Place</u>	<u>Book</u>	<u>Page</u>	<u>Recordation Date</u>
1.	12/1/81	Shelby Cty.	417	605	12/31/81
2.	12/1/82	Shelby Cty.	425	789	12/27/82
3.	12/1/86	Shelby Cty.	107	457	12/30/86

EXHIBIT "B"

PARCEL A

A parcel of land located in the Southeast 1/4 of Section 14, Township 20 South, Range 3 West, Shelby County, Alabama, more particularly described as follows: Commence at the Southeast corner of said Section 14, thence in a Westerly direction along the South line of said Section 14 a distance of 201.98 feet to the center line of Atlantic Coast Line Railroad right of way, thence 62 degrees 35 minutes right along the center line of said right of way in a Northwesterly direction a distance of 196.31 feet to the intersection of the center line of the Ashville-Montevallo Road, thence 20 degrees 35 minutes right in a Northwesterly direction along said center line of said road a distance of 703.74 feet, thence 90 degrees left in a Southwesterly direction a distance of 30.0 feet to the West right of way line of said road and the Point of Beginning of herein described property, thence continue along last described course a distance of 180.88 feet to the Northeast right of way line of Atlantic Coast Line Railroad, thence 69 degrees 25 minutes right in a Northwesterly direction along said right of way a distance of 594.74 feet to the beginning of a curve to the left, said curve having a central angle of 27 degrees 12 minutes (measure 8°07'53") and a radius of 2,914.82 feet, thence along arc of said curve a distance of 413.67 feet, thence 125 degrees 32 minutes 53 seconds right, measured from tangent of said curve, in an Easterly direction a distance of 670.32 feet to the West right of way line of Ashville-Montevallo Road, said point being on a curve to the left having a central angle of 2 degrees 23 minutes 18 seconds and a radius of 277.35 feet (calculated 2,775.95) thence 95 degrees 34 minutes 48 seconds right, measured to tangent of said curve, in a Southerly direction along arc of said curve a distance of 115.69 feet to end of said curve, thence continue along said right of way line in a Southerly direction a distance of 180.82 feet to the beginning of a curve to the left, said curve having a central angle of 10 degrees 01 minutes 30 seconds and a radius of 3,229.53 feet, thence continue along arc of said curve in a Southerly direction a distance of 564.02 feet to end of said curve and the Point of Beginning. Parcel contains 8.0 acres±.

PARCEL B

A parcel of land located in the SW 1/4 of the SW 1/4 of Section 13, and the SE 1/4 of the SE 1/4 of Section 14, all in Township 20 South, Range 3 West, Shelby County, Alabama, more particularly described as follows: Commence at the Southwest corner of said Section 13, thence in an Easterly direction along the South line of said Section 13, a distance of 764.69 feet to the intersection of said Section line and the Westerly right-of-way line of U. S. Highway 31; thence 102 degrees 18 minutes left in a Northwesterly direction along said right-of-way a distance of 662.23 feet to the point of beginning; thence continue along last described course a distance of 655.57 feet; thence 77 degrees 42 minutes left in a Westerly direction a distance of 848.51 feet to the Easterly right-of-way line of the Old Ashville-Montevallo Highway; thence 90 degrees 12 minutes left in a Southerly direction along the Easterly right-of-way line of said Highway, a distance of 249.15 feet; thence 6 degrees 24 minutes left in a Southeasterly direction along said right-of-way a distance of 283.08 feet; thence 90 degrees 11 minutes 36

seconds left in a Northeasterly direction a distance of 313.80 feet; thence 90 degrees right, in a Southeasterly direction a distance of 222.33 feet; thence 90 degrees left in a Northeasterly direction a distance of 621.22 feet to the point of beginning; being situated in Shelby County, Alabama.

PARCEL C

A parcel of land located in the SW 1/4 of the SW 1/4 of Section 13, and the SE 1/4 of the SE 1/4 of Section 14, all in Township 20 South, Range 3 West, Shelby County, Alabama, more particularly described as follows: Commence at the Southwest corner of said Section 13, thence in an Easterly direction along the South line of said Section 13, a distance of 764.69 feet to the intersection of said Section line and the Westerly right-of-way line of U. S. Highway 31; thence 102 degrees 18 minutes left in a Northwesterly direction along said right-of-way a distance of 317.80 feet to the point of beginning; thence continue along last described course a distance of 344.43 feet; thence 84 degrees 29 minutes 38 seconds left in a Southwesterly direction a distance of 621.22 feet; thence 90 degrees right in a Northwesterly direction a distance of 222.33 feet; thence 90 degrees left in a Southwesterly direction a distance of 313.80 feet to the Easterly right-of-way line of the Old Ashville-Montevallo Highway; thence 89 degrees 48 minutes 24 seconds left, in a Southeasterly direction along said right-of-way line a distance of 518.42 feet to the Northeasterly right-of-way line of the Seaboard Coast Line Railroad; thence 20 degrees 45 minutes left, in a Southeasterly direction, along said right-of-way of said Seaboard Coast Line Railroad, a distance of 130.72 feet; thence 62 degrees 39 minutes left, in an Easterly direction a distance of 476.70 feet; thence 102 degrees 18 minutes left in a Northwesterly direction a distance of 188.73 feet; thence 102 degrees 18 minutes right in an Easterly direction a distance of 472.0 feet to the point of beginning; being situated in Shelby County, Alabama.

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