

STATE OF ALABAMA

Shelby COUNTY

Assignment of Leases, Rents and Income

THIS AGREEMENT is made as of the 3rd day of November, 2000, by

Alabama Bag Company, L.L.C.

(hereinafter referred to as the "Assignor", whether one or more) in favor of AmSouth Bank (hereinafter referred to as the "Assignee").

WITNESSETH:

WHEREAS, the Assignor is the owner of certain real property with the buildings and improvements thereon situated in the City of Helena County of Shelby, in the State of Alabama, more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Property"); and

WHEREAS, the Assignor has executed to the Assignee its Promissory Note dated November 3, 2000, in the principal sum of \$ 225,000.00; and

WHEREAS, the Assignor is the landlord under those certain leases described on Exhibit "B" attached hereto and made a part hereof; and

WHEREAS, the Assignee accepted the note described above on the condition that the Assignor assign all of its right, title and interest in and to all leases in which it is landlord now on the Property or any portion thereof or which may hereafter be placed thereon, including, without limitation, the leases referred to above:

NOW THEREFORE, in consideration of the premises aforesaid and other good and valuable consideration paid to the Assignor by the Assignee, the receipt and sufficiency of which are hereby acknowledged, and to secure the payment of the debt evidenced by the note described above and any and all other additional indebtedness now or hereafter owing by the Assignor to the Assignee, and any and all extensions and renewals thereof, or of any part thereof, and all interest payable on all of said debt and on any and all such extensions and renewals (the note or instruments evidencing such debt are hereinafter collectively called the "Notes", whether one or more), and the compliance with all the stipulations contained herein or in any mortgage, deed of trust or other document securing the Notes (any and all such security documents being hereinafter collectively called the "Security Documents"), the Assignor does hereby absolutely assign, transfer and set over unto the Assignee all of its right, title and interest in and to all leases in which it is landlord, by assignment or otherwise, now on the Property, or which may hereafter be placed thereon (the "Leases", whether one or more), and all of the rents, issues and profits now due or to become due and derived from the Property, until the Notes and the obligations above referred to have been fully paid and satisfied of record.

In furtherance of the foregoing assignment, the Assignor hereby authorizes the Assignee, at its option at any time to enter upon the Property and to collect, by its officers, agents, or employees, in the name of the Assignor, or in its own name as assignee, the rents, issues and profits due or to become due and derived from the property. The Assignor also authorizes the Assignee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Property, and in general to perform all actions necessary in connection therewith in the same manner and to the same extent as the Assignor might reasonably so act. Upon electing to exercise the rights herein granted, the Assignee may, at its discretion, make reasonable efforts to collect the rents, reserving, within its own discretion, the right to determine the method of collection and the extent to which enforcement of collection of delinquent rents shall be prosecuted, but it shall not be accountable for more money than it actually receives from the Property and shall not be liable for failure to collect rents.

The Assignee shall, after payment of all proper charges and expenses, credit the net amount received from the Property by virtue of this assignment, or by virtue of the exercise of any power herein granted, to any amounts due and owing to it by the Assignor under the terms of the Notes and Security Documents, but the manner of the application of such net income and the items which shall be credited shall be within the sole discretion of the Assignee.

It is agreed and understood by the Assignor that there shall be no legal obligation on the part of the Assignee to collect the rentals as provided for in the Leases, nor shall the Assignee be in anywise liable or responsible for the failure of the tenants of the Assignor to pay said rentals, but when and if collected, said rentals shall be applied to any amounts due and owing to the Assignee by the Assignor under the terms of the Notes and Security Documents as above stipulated. The Assignor agrees to indemnify and hold the Assignee harmless from and against any and all liability, loss, damage, cost and expense which the Assignee may incur under any of the Leases or by reason of this assignment.

The assignment of leases, rents, issues and profits made in this instrument is intended to be an absolute assignment from the Assignor to the Assignee and not merely the grant or passing of a security interest or a conditional or contingent assignment. Such leases, rents, issues and profits are hereby assigned absolutely by the Assignor to the Assignee with no further action required by the Assignee to enforce its interest in such leases, rents, issues or profits. The Assignor, for itself, its successors, assigns and representatives, hereby expressly waives and relinquishes any requirements, whether statutory, at common law or otherwise, that the Assignee take any additional action before it is entitled to enforce its interest in the leases, rents, issues and profits assigned under this instrument.

Until an act of default shall be made by the Assignor in the full and complete performance of any of the agreements, covenants and promises in any of the Notes or Security Documents, including, without limitations, the making of the payments due thereunder, the Assignee grants to the Assignor a revocable license to receive, collect and enjoy the rents, issues and profits from the Property which license shall be automatically revoked upon the happening of any default in the performance of the covenants contained in or in the making of the payments due under the Notes and Security Documents without any notice or action by the Assignee whatsoever.

The Assignor by these presents does hereby authorize and direct any tenant or tenants of all or any portion or portions of the Property, upon receipt of notice in writing from the Assignee to pay to the Assignee all rent then due or thereafter to become due under the terms of any Lease.

The Assignor shall not be entitled to, and hereby covenants and agrees that it will not, without the written consent of the Assignee:

- Cancel any Lease or accept a surrender thereof, except in accordance with the conditions and contingencies as set out therein;
- Modify any Lease so as to decrease the term of such Lease, reduce the rent or change the time of payment of same, or diminish the obligation of the tenant with regard to the payment of taxes and insurance;
- Consent to an assignment of the tenant's interest in or under any Lease which will relieve the tenant of liability for the payment of rent and the performance of the terms and conditions of the Lease; or
- Collect the rents and profits of the Property for more than one month in advance;

And any of the above acts, if done without the written consent of the Assignee shall be null and void. The Assignor shall have the right to modify any Lease or take any other action with respect thereto which does not violate the specific provisions of this instrument.

The Assignor hereby covenants and warrants to the Assignee that neither it, nor any previous owner, has executed any prior assignment or pledge of the rents, issues and profits of the Property or of its interest in and to any Lease, and further covenants and agrees that it has not performed any acts or executed any agreement which might prevent the Assignee from operating under any of the terms and conditions of this instrument, or which would limit the Assignee in such operation.

The rights and powers herein granted, conveyed, and assigned are continuing rights, and the exercise of same upon any occasion shall not abrogate or diminish the rights and powers of the Assignee hereunder to exercise the same upon any other occasion, and, likewise, the failure to exercise same upon any occasion shall not constitute a waiver of the right of the Assignee to exercise the powers and privileges herein granted at any subsequent time. The collection and application of the rents, issues and profits to the indebtedness under the Notes or the Security Documents, or as otherwise provided herein, shall not constitute a waiver of any default which might at the time of the application or thereafter exist under any of the Notes or the Security Documents, and the payment of the indebtedness evidenced by the Notes and the Security Documents may be accelerated in accordance with the terms, notwithstanding such application.

The Assignee reserves unto itself the right to foreclose the Security Documents at any time when a default shall exist, and this instrument shall in no wise operate to affect, impair, or diminish the rights granted the Assignee under the Notes and Security Documents, but the rights contained herein are in addition to the rights and privileges given the Assignee under and by virtue of said Notes and Security Documents.

It is also agreed and understood that the Assignee shall incur no liability for the entrance by its agent upon the Property for purpose of collection of rentals, issues, and profits as herein mentioned.

This instrument shall not be revoked without the consent of the Assignee in writing, and shall remain in full force and effect as long as the obligations under any of the Notes and Security Documents remain unpaid or unfulfilled in whole or in part.

11/07/2000-38711
03:23 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
20.00

CAUTION – IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

Alabama Bag Company, L.L.C.

By:

Its:

COUNTY

Given under my hand and official seal on this _____ day of _____

STATE OF ALABAMA

COUNTY

I, the undersigned, a Notary Public in and for said County and in said State, hereby certify that Randy Reed

whose name as

Given under my hand and official seal on this 3 day of November, 2000

MY COMMISSION EXPIRES JULY 17, 2004

COUNTY

I, the undersigned, a Notary Public in and for said County and in said State, hereby certify that _____

whose name as general partner of

Given under my hand and official seal on this _____ day of _____

This instrument was prepared by:

Tricia Wolfe

AmSouth Bank

P.O. Box 11007

Birmingham, AL 35288

EXHIBIT A

PARCEL I:

A part of the NW 1/4 of the SE 1/4 of Section 15, Township 20 South, Range 3 West, more particularly described as follows: Commence at the SE corner of the NE 1/4 of the SE 1/4 of Section 15, and run Westerly along South line a distance of 871.46 feet; thence continue Westerly along South line a distance of 1317.5 feet; thence turn angle to right of $78^{\circ} 20'$ and run 339.02 feet, more or less, to North line of a 50-foot road, for the POINT OF BEGINNING; thence continue in the same direction a distance of 287.58 feet to the SW corner of property sold to Allied Flexible Products, Inc.; thence turn an angle to right of $101^{\circ} 39'$ and run Easterly along South line of Allied Flexible Products, Inc., property 811.23 feet to the NW corner of property sold to August Leonard Armstrong and Merle S. Armstrong, as described in Deed Book 251, on Page 402 in the Probate Office of Shelby County, Alabama; thence turn an angle to right of $100^{\circ} 19' 30''$ and run 292.25 feet to North right of way line of a 50-foot roadway; thence run Westerly along North line of said 50-foot roadway 696.10 feet to POINT OF BEGINNING.

PARCEL II:

From the Southwest corner of the NW 1/4 of the SE 1/4 of Section 15, Township 20 South, Range 3 West, run Easterly along the South line of said quarter-quarter Section for a distance of 455.21 feet; thence turn left an angle of $101^{\circ} 40'$ and run Northwesterly 626.60 feet to the POINT OF BEGINNING of the land herein described; thence continue Northwesterly 715.51 feet to the South right-of-way of L & N Railroad; thence turn right an angle of $90^{\circ} 22'$ and run Northeasterly 477 feet; thence turn right an angle of $124^{\circ} 39'$ and run Southwesterly 78.94 feet; thence turn left an angle of $16^{\circ} 09'$ and run Southwesterly 156.74 feet; thence turn left an angle of $59^{\circ} 22'$ and run Southeasterly 151.36 feet; thence turn left an angle of $53^{\circ} 48'$ Northeasterly 249.73 feet; thence turn right an angle of $43^{\circ} 56' 20''$ and run Southeasterly 176.79 feet; thence turn right an angle of $3^{\circ} 35' 20''$ and run Southeasterly 200.88 feet; thence turn right an angle of $54^{\circ} 14'$ and run Southeasterly 160.09 feet; thence turn right an angle of $44^{\circ} 31'$ and run Southwesterly 247.19 feet; thence turn right an angle of $49^{\circ} 34'$ and run Westerly 811.23 feet to the POINT OF BEGINNING.

EXHIBIT "B"

All leases in which Debtor is Lessor by assignment or otherwise, now existing with respect to all or any part of the property described on Exhibit "A" attached hereto or which may hereafter be entered into with respect to all or any part of said property, and all of the rents, issues and profits now due or to become due and derived from said property.

Inst # 2000-38711

11/07/2000-38711

03:23 PM CERTIFIED

SHELBY COUNTY JUDGE OF PROBATE

004 MMB 20.00