

STATE OF ALABAMA — UNIFORM COMMERCIAL CODE — FINANCING STATEMENT
FORM UCC-1 ALA.

Important: Read Instructions on Back Before Filling out Form.

☐ The Debtor is a transmitting utility
as defined in ALA CODE 7-9-105(n).

No. of Additional
Sheets Presented:

This FINANCING STATEMENT is presented to a Filing Officer for
filing pursuant to the Uniform Commercial Code.

1. Return copy or recorded original to:

THIS SPACE FOR USE OF FILING OFFICER
Date, Time, Number & Filing Office

Inst # 2001-03479

01/31/2001-03479
02:22 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
015 MMB 29.00

Pre-paid Acct. #

2. Name and Address of Debtor

(Last Name First if a Person)

STAFFORD, D.F.
6615 WINCHESTER CIRCLE
BIRMINGHAM, AL 35124

Social Security/Tax ID #

2A. Name and Address of Debtor

(IF ANY)

(Last Name First if a Person)

GAULT, CHARLES N.
2065 LAKEVIEW LANE
BIRMINGHAM, AL 35244

Social Security/Tax ID #

☐ Additional debtors on attached UCC-E

3. SECURED PARTY (Last Name First if a Person)

GROOVER, THOMAS G.

Social Security/Tax ID #

☐ Additional secured parties on attached UCC-E

4. ASSIGNEE OF SECURED PARTY

(IF ANY)

(Last Name First if a Person)

5. The Financing Statement Covers the Following Types (or items) of Property:

THE ATTACHED ASSET INVENTORY OF
CUSTOM FINISHING, INC.

5A. Enter Code(s) From
Back of Form That
Best Describes The
Collateral Covered
By This Filing:

Check X if covered: ☐ Products of Collateral are also covered.

6. This statement is filed without the debtor's signature to perfect a security interest in collateral
(check X, if so)

☐ already subject to a security interest in another jurisdiction when it was brought into this state.

☐ already subject to a security interest in another jurisdiction when debtor's location changed
to this state.

☐ which is proceeds of the original collateral described above in which a security interest is
perfected.

☐ acquired after a change of name, identity or corporate structure of debtor

☐ as to which the filing has lapsed.

7. Complete only when filing with the Judge of Probate:

The initial indebtedness secured by this financing statement is \$

Mortgage tax due (15¢ per \$100.00 or fraction thereof) \$

8. ☐ This financing statement covers timber to be cut, crops, or fixtures and is to be cross
indexed in the real estate mortgage records (Describe real estate and if debtor does not have
an interest of record, give name of record owner in Box 5)

Signature(s) of Secured Party(ies)

(Required only if filed without debtor's Signature — see Box 6)

Signature(s) of Debtor(s)

Signature(s) of Debtor(s)

Type Name of Individual or Business

Signature(s) of Secured Party(ies) or Assignee

Signature(s) of Secured Party(ies) or Assignee

Type Name of Individual or Business

EXHIBIT B

\$265,000.00

August 31, 1996

SECURED PROMISSORY NOTE

FOR VALUE RECEIVED, D. F. STAFFORD and CHARLES N. GAULT (hereinafter jointly and severally "Maker") promise to pay to the order of THOMAS G. GROOVER (hereinafter referred to as "Payee"), the sum of two hundred sixty-five thousand dollars and 00/100 Dollars (\$265,000). Said principal sum shall accrue interest at the simple rate of nine percent (9%).

Payments on this Note shall be due and payable on the date(s) and in the amount(s) specified on the amortization schedule which is attached hereto and incorporated herein by reference until all amounts due under this Note have been paid in full. All amounts paid pursuant to this Note shall be paid in legal tender for the payment of public and private debts in the United States of America.

This Note may be prepaid in part or in full at any time without penalty. Any prepayment shall be applied first to the discharge of accrued interest and then to the reduction of the principal portion of the installment or installments last maturing hereunder.

The indebtedness evidenced by this Note is secured by a pledge of certain stock purchased by Maker from Payee as provided in a Stock Purchase Agreement by and among Maker and Payee and entered into on even date with this Note.

As an inducement to enter into the Stock Purchase Agreement and to execute the Secured Promissory Note, the Maker has relied upon the Seller agreeing to a Covenant not to Compete in the form of Exhibit "C" attached to the Stock Purchase Agreement. Maker's performance under this Secured Promissory Note is conditioned upon Seller not breaching the Covenant not to Compete. In the event Seller breaches his obligations under the Covenant not to Compete, then Maker's performance under this Note shall be suspended so long as Seller is in breach under the Covenant not to Compete in the Stock Purchase Agreement, regardless of whether the Covenant not to Compete is enforceable. If Seller's breach under the Covenant not to Compete extends beyond one hundred twenty (120) days, not consecutively, then Maker's obligations under this Secured Promissory Note are discharged.

In the event Maker transfers the stock Maker purchases from Payee pursuant to the Stock Purchase Agreement, or in the event Custom Finishing, Inc. sells substantially all of its assets, then payments due Payee under this Note shall be accelerated and all principal and accrued interest due and payable at the time of such transfer.

If any portion of the indebtedness evidenced by this Note is collected by or through an attorney at law, Maker promises to pay to Holder, upon demand, (i) reasonable attorneys' fees, (ii) court costs, and (iii) reasonable legal expenses.

In the event Maker fails to make a payment when due and payable, the Payee shall have the right to declare the entire principal and accrued interest balance due and payable. Failure to exercise the right to accelerate payment when due following default shall not be deemed a waiver of such default nor a consent to a continuation thereof nor a waiver of the same default at any subsequent date. Any waiver of rights by Payee must be in writing and shall only apply to that written waiver and shall not have general or prospective application.


This Note is executed and delivered in the State of Alabama and shall be governed by and interpreted in accordance with the laws of the State of Alabama, which laws shall prevail in the event of any conflict of law. All claims, causes of action, liabilities, controversies, and disputes relating to the negotiation, formation, construction, interpretation, performance, or enforcement of this Note shall be governed by and construed in accordance with Alabama law.

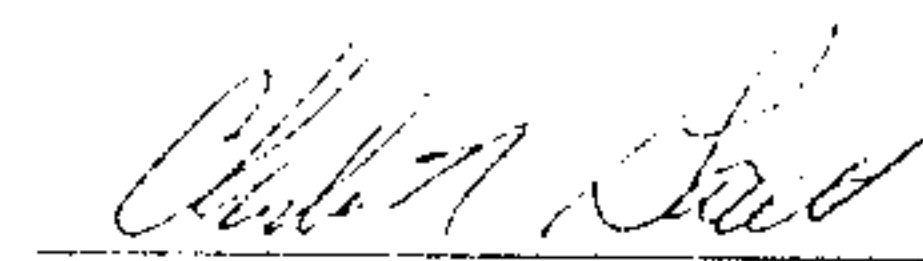
If any provision of this Note is, for any reason, declared invalid by a court of competent jurisdiction, such decision or determination shall not affect the validity of any remaining portion and such remaining portion shall remain in full force and effect as if this Note had been executed with the invalid provision eliminated; provided, however, that in the event of a declaration of invalidity, the provision declared invalid shall not be invalidated in its entirety, but shall be observed and performed by the parties to the extent such provision is valid and enforceable.

This Note may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, or modification is sought. This Note may be assigned by Holder and Maker expressly agrees that the rights of any assignee of Holder shall be those of a holder in due course.

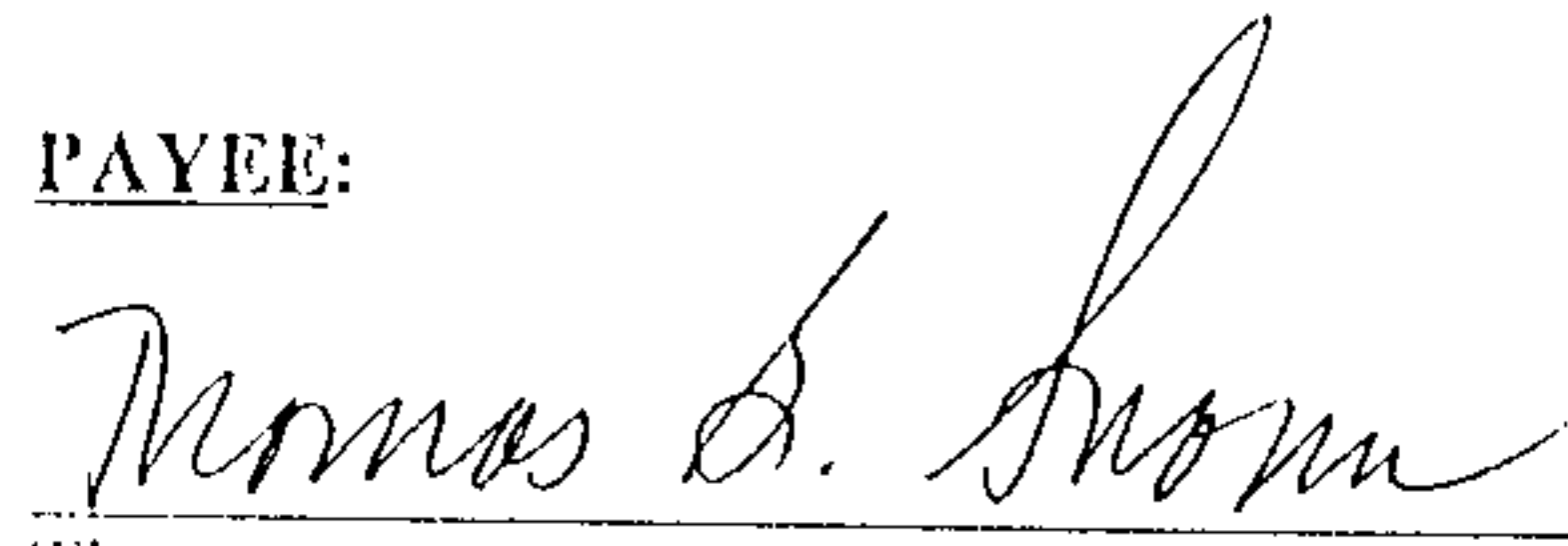
IN WITNESS WHEREOF, Maker, intending to be legally bound, has caused its duly authorized officers to execute this Note under seal, as of the day, month, and year first written above.

MAKER:


D. F. Stafford


Charles N. Gault

PAYEE:


Thomas G. Groover

CUSTOM FINISHING INC.
ASSET INVENTORY

ID#	QTY	DESCRIPTION	MANUFACTURER	SERIAL/MODEL	LOC.	COST	D.O.P.
1	1	36" x 78" Wood Exec. Desk	Leopold Co. Burlington, IA		1	\$ 600.00	1988
2	2	Wood/Fabric Arm Chairs	Global Upholstery Ontario	4002E	1	\$ 288.00	1988
3	1	Wood End Table			1	\$ 147.00	1988
4	1	Brass Table Lamp			1	\$ 149.00	1988
5	2	36" x 12" Bookshelves	#3612 DI		1	\$ 186.00	1988
6	1	60" x 24" Wood Credenza			1	\$ 400.00	1988
7	1	488 DX-88 Computer	TRW Computing		1	\$ 2,249.00	1994
188	1	17" Monitor	Mag Innovation		1	\$ 629.00	1995
43	1	Printer	Hewlett Packard Desk Jet 540	US5151GOSA	1	\$ 647.00	1995
162	1	AutoCad Software			1	\$ 250.00	1994
184	1	Ram Upgrade to 16Meg			1	\$ 645.00	1994
165	1	CD-ROM			1	\$ 215.00	1994
8	1	2-drawer metal file	Anderson Hickey		1	\$ 173.00	1988
9	1	8086 Computer	IBM 5170	5170-26-4035794	1	\$ 2,900.00	1985
10	1	Lot Desktop Accessories			1	\$ 50.00	1985
11	1	Quartz Clock	Spartus		1	\$ 20.00	
12	1	Calculator	Texas Instruments	82347837/5040 II	1	\$ 30.00	
13	1	Telephone	Delphi XVI BellSouth	32014587	1	\$ 262.00	1988
14	1	Set-Thomas Register			1	\$ 2,450.00	
15	1	Chrome/Vinyl Arm Chair	United Chair	OV 910	1	\$ 160.00	1985
16	1	Portable VHS Video Player	Funai	VP1500	1	\$ 303.00	1985
17	1	Car Phone	BellSouth		1	\$ 812.00	1990
18	1	Portable Dictating Machine	Norelco	390	1	\$ 159.00	1991
19	1	Fork Truck Safety Video	Industrial Training	3806	1	\$ 653.00	1990
20	1	60" x 33" Wood Sec'y. Desk			2	\$ 600.00	
21	1	Secretarial Chair			2	\$ 150.00	
22	1	66" x 33" Executive Desk			2	\$ 700.00	
23	1	Chrome/Vinyl Arm Chair	United Chair	OV 910	2	\$ 160.00	
24	4	4-Drawer Metal Files	Anderson-Hickey		2	\$ 784.00	
25	1	4-Drawer Fire File	Schwab 1000	BO29317/4CFC-1	2	\$ 1,200.00	1990
26	1	Computer	Compaq	486 DX50 Presario	2	\$ 1,998.00	
27	2	Wood/Vinyl Guest Arm Chairs			2	\$ 200.00	
28	1	Wood Computer Work Station			2	\$ 450.00	
29	1	Typewriter	Brother	Pro 95	2	\$ 350.00	
30	1	288 Computer	IBM	DTK286-16	2	\$ 1,493.00	1991
31	1	Wood Computer Work Station	HSP	4200 C	2	\$ 335.00	1985
32	1	36" x 12" Wood Bookshelf			2	\$ 186.00	1988

ID#	QTY	DESCRIPTION	MANUFACTURER	SERIAL/MODEL	LOC.	COST	D.O.P.
33	1	Copier w/ Storage Cabinet	3M	526	2	\$ 482.00	1984
34	1	Paper Shredder	Panasonic	MPS-20	2	\$ 221.00	
35	1	Back-up Power Supply	NSSI	#5607 #5615	2	\$ 1,290.00	1993
36	1	Wall Clock			2	\$ 20.00	
37	1	Lot - Wall Hangings			2	\$ 150.00	
38	2	Telephones	BellSouth	Delphi XVI	2	\$ 524.00	1988
39	1	Calculator	Sharp	EL 2630A	2	\$ 50.00	
41	1	Back-up Power Unit	Elgar	62010045160	2	\$ 880.00	1990
42	1	286 Computer		200	3	\$ 5,083.00	1985
44	1	Typewriter	Royal Signet		3	\$ 200.00	
45	1	Telephone	BellSouth	Delphi XVI	3	\$ 262.00	1988
46	1	Fax Machine	Sharp	UX-172	3	\$ 430.00	
47	1	Secretarial Chair			3	\$ 150.00	
48	1	Calculator	Texas Instruments	5045	3	\$ 46.00	
49	1	Lot - Wall Hangings			3	\$ 50.00	
50	1	Lot - Desktop Accessories			3	\$ 50.00	
51	2	Wood / Fabric Arm Chairs			4	\$ 288.00	1988
52	1	Wood End Table			4	\$ 147.00	1988
53	1	Brass Table Lamp			4	\$ 149.00	1988
54	1	Lot - Wall Hangings			4	\$ 50.00	
55	2	4-Drawer Metal Files			5	\$ 392.00	
56	2	5-Drawer Metal Files			5	\$ 410.00	
57	3	5-Shelf 36 x 18 Storage Shelves			5	\$ 249.00	
58	1	Copier	Canon	PC-6RE	5	\$ 800.00	
59	1	12" Monochrome Monitor	Gold Star		5	\$ 125.00	
60	1	Computer Software	Lotus1-2-3 vrsn. 2.3		5	\$ 375.00	
61	1	Mouse	Logitech		5	\$ 35.00	
62	1	Accounting Software	BPI	AccPac	5	\$ 2,900.00	
63	1	Vacuum Cleaner	Dayton	5Z041	5	\$ 272.00	
64	1	Security System	Artech Moose Z1 100e	Anderson	5	\$ 1,552.00	1990
65	1	MicroFische Reader	Micro Design 475A	DataPlex	5	\$ 229.00	
166	7	Surge Suppressors	APC		5	\$ 369.65	
66	3	8' x 30" Folding Tables			6	\$ 312.00	
67	14	Metal / Vinyl Stack Chairs			6	\$ 434.00	
68	1	Drink Vending Machine	Vendo		6	\$ 300.00	
69	1	Snack Vending Machine	Metal Stamping Corporation	H22	6	\$ 300.00	
70	1	Bunn Coffee Maker	Bunnomatic	035756B, Mod. UPR	6	\$ 350.00	
71	1	Microwave Oven	Litton	Meal-In-One	6	\$ 200.00	
72	1	Refrigerator - 17 Cu. ft.	Westinghouse	RT 173 G	6	\$ 550.00	
73	1	Wall-Mounted Telephone	BellSouth	Delphi XVI	6	\$ 262.00	1988
74	1	Simplex Time Clock	Gorrie-Regan		6	\$ 1,430.00	1990

ID#	QTY	DESCRIPTION	MANUFACTURER	SERIAL/MODEL	LOC.	CUST	U.O.P.
76	1	77 Six-Stage Power Washer	Industrial Heating & Finishing	1252-112 (87750-A)	A	\$ 88,851.00	1988
77	1	36' x 21' Dry-Off / Cure Oven	Industrial Heating & Finishing	1252-112 (87750-B)	A	\$ 87,392.00	1988
78	1	550 ft. Enclosed Track 2035 Conveyor	Richards-Wilcox		A-B	\$ 18,852.00	1988
79	1	Automatic Conveyor Lubricator	Automatic Lubricating Systems	LS-300			
80	1	Automatic Conveyor Lubricator	Mighty Lube Systems	21607008		\$ 1,071.00	1986
81	1	Waste Water Treatment System	MidSouth Testing		14	\$ 52,600.00	1988
82	1	Deionized Water Generator	Mobile Water Technology		14	\$ 13,051.00	1988
83	1	Burn-Off Oven	Bayco	BB-89151	12	\$ 23,391.00	1989
84	1	28' X 32' Insulated Powder Room	National Partition		B	\$ 20,561.00	1988
85	1	Air Conditioning Unit (Powder Room)	15-Ton		B	\$ 15,045.00	1986
86	1	Automatic Powder Recovery Booth - Cartridge-Type	Nordson	808	B	\$ 77,077.00	1988
87	10	Automatic Powder Guns	Nordson	IPC Versa Spray	B	\$ 32,427.00	1992
88	1	Manual Powder Gun	Nordson 100 Plus	AA91H11481	B	\$ 2,729.00	1991
89	1	Manual Powder Gun	Nordson 100 Plus	AA91D12751	B	\$ 2,431.00	1991
90	1	Manual Powder Gun	Nordson	100 Plus	B	\$ 2,544.00	1992
91	1	Bulk Feed Hopper	Nordson		B	\$ 3,206.00	1990
92	1	Fire Detection System for 808 Booth	Nordson	NSF-100	B	\$ 8,500.00	1992
94	1	Cyclone-type Powder Recovery Booth	Nordson				
95	1	6' x 7' Andraee Filter Booth	Industrial Heating & Finishing		B	\$ 17,981.00	1985
96	1	Powder Sieve	Fisher Klosterman	PF-A-6-7-TLH	B	\$ 2,122.00	1988
			Binks	E240 BI	B	\$ 3,458.00	1986
97	1	Dual Tower Regenerative Air Dryer	Pioneer	19220361H/DHE 250	B	\$ 7,659.00	1992
98	1	40 H.P. Screw-type Air Compressor	Sullair		13	\$ 10,988.00	1988
99	1	10 H.P. Recip. Tank Mtd. Air Comp.	Quincy		13	\$ 3,382.00	1986
100	1	Welder	Linde	SE 400	10	\$ 1,223.00	1988
101	1	6' x 10' Horizontal Bank Saw	Dayton	6E39781/3Z360 G	10	\$ 600.00	1988
102	1	Fork Lift	Caterpillar	5GB1136/T300	B-D	\$ 10,350.00	1988
103	1	Fork Lift	Caterpillar	07EM00079 / GC15	B-D	\$ 7,838.13	1994
163	1	Shrink Wrap Machine	IPM	55045	B-D	\$ 5,395.00	1994
104	46	Storage Racks, Heavy Duty 30" x 108" x 12"			D	\$ 8,100.00	1988
105	1	1988 Pickup Truck	Chevrolet			\$ 8,371.00	1990
106	1	Deville	Cadillac			\$ 19,244.25	1994
107	1	Pressure Washer	Hotsy		11	\$ 3,317.00	1990

ID#	QTY	DESCRIPTION	MANUFACTURER	SERIAL/MODEL	LOC.	COST	D.O.P.
108	1	Pallet Jack	Blue Giant	94012175/ROI-55	D	\$ 405.00	1994
109	1	Hand Truck			D	\$ 40.00	1994
110	1	5000# Platform Scale with weigh/count sample	Pennsylvania	5400	D	\$ 3,283.00	1988
111	8	Paint Rack Storage Carts	Industrial Heating & Finishing		A-C	\$ 1,744.00	Various
112	1	Temp/RH Recorder	Cole Parmer	N-08372-85	C	\$ 453.00	1989
113	1	Drum Heater	1865K15		14	\$ 265.00	1991
114	8	Automatic Powder Spray Guns and Controls	Nordson		10	\$ 4,588.00	1988
115	1	Oven Fault Detector	Industrial Heating & Finishing		A	\$ 1,563.00	1994
116	1	Industrial Shop Vacuum	HAKO Minuteman 130	AAA Enviro 705810	C	\$ 1,034.00	1991
117	6	50# Powder Feed Hoppers	Nordson		C	\$ 300.00	
118	1	Scales	Detecto	B53103/100P-E	C	\$ 534.00	1985
119	1	Spot Welder Timer & Foot Control	Miller		10	\$ 704.00	
120	1	Drill Press	Birmingham	912149/DP16NSF	10	\$ 330.00	1992
121	1	Shot Blast Cabinet	ICM Ad-A-Blast	AB145-11-82-38	D	\$ 1,620.00	1982
122	2	Eye Wash Stations			A-D	\$ 198.00	1988
123	3	36" x 72" x 24" Stainless Steel Strip Tank	Industrial Heating & Finishing		11	\$ 2,160.00	
124	1	1000# Hoist			11	\$ 500.00	1980
125	1	36" x 48" x 48" Stainless Steel Strip Tank	Industrial Heating & Finishing		11	\$ 2,143.00	
126	1	100 ft. Enclosed Track Conveyor	Richards Wilcox	2035 Zig Zag	A-D	\$ 1,000.00	
127	1	Oxy/Acetylene Torch Rig			11	\$ 525.00	
128	1	Hotsy Portable			11	\$ 400.00	1983
129	1	Stationary Natural Gas Fired Steam Cleaner	Whitco Inc. (American Chemical)		11	\$ 1,200.00	
130	1	Computer	IBM AT		7	\$ 2,800.00	1988
131	1	Two-Drawer File Cabinet			7	\$ 173.00	
132	1	4' x 6' Two-Door Storage Cabinet			7	\$ 160.00	
133	1	Time Clock	Gorrie-Regan	Simplex	7	\$ 1,430.00	
167	1	Electronic Time Clock	ETC - Qquest Software		7	\$ 855.00	1994
134	1	Calculator	Casio		7	\$ 20.00	
135	1	Telephone	BellSouth	Delphi XVI	7	\$ 262.00	1988
136	1	Room Air Conditioner 5000 BTU	W.W. Grainger		7	\$ 352.00	1993
137	1	Steam Cleaner	AAA Enviro Hotsy	Stationary	11	\$ 1,407.00	1991
138	1	Salt Spray Test Cabinet	Harshaw Filtrol	GS-SCH #15	9	\$ 6,978.00	1986
139	1	Oven Temp Recorder	Grant		9	\$ 2,002.00	1985
140	1	Lab Scale	Ohaus	Galaxy 110	9	\$ 1,933.00	1987
141	1	Air Velocity Kit	Alnor Velometer		9	\$ 974.00	

ID#	QTY	DESCRIPTION	MANUFACTURER	SERIAL/MODEL	LOC.	COST	U.O.P.
142	2	Electrostatic Test Units for Powder Guns	Nordson		9	\$ 888.00	
143	1	Air Compressor 2HP	Sears		9	\$ 321.00	1987
144	1	Five-Drawer File Cabinet			9	\$ 410.00	
145	1	Lab Table 72" x 30"			9	\$ 200.00	
146	1	PH Meter	Analytical Meas.	707	9	\$ 300.00	
147	2	Hand-Held PH Meters	Omega PHH		9	\$ 88.00	1991
148	1	Calculator	Unisonic	XL-129	9	\$ 30.00	
149	1	Meg OHM Meter	Yokogawa	3213-24	9	\$ 227.00	1985
150	1	Digital Coating Thickness Gauge	Elcometer	345 FT	9	\$ 1,011.00	1993
151	1	Gloss Meter	Eichsen Gloss Master		9	\$ 1,471.00	1993
152	1	Mil Thickness Gauge	Positector	3000	9	\$ 772.00	1986
153	1	Tachometer		V-R #6811	9	\$ 197.00	1989
154	1	Manual Powder Gun/Hopper with Control	Thonid	6140/EPU-90	A	\$ 3,600.00	1986
155	1	Digital Thickness Gauge 345NT	Elcometer		9	\$ 1,049.00	1993
156	2	Fire Extinguisher 5" x 15" 10#	Halon		C	\$ 262.00	
157	1	Manual Powder Gun/Hopper with Control	GEMA	708-709-2-930	C	\$ 1,000.00	1986
158	1	Manual Powder Gun/Hopper with Control	GEMA	HP 175180-2-515	A	\$ 1,000.00	1988
159	2	Fire Extinguishers	Amerex	5x515x10#	A	\$ 138.00	
160	1	Fire Extinguisher	Amerex	3x15x2.5#	C	\$ 30.00	
161	1	Wood Storage Cabinet			9	\$ 250.00	
TOTAL						\$ 642,673.03	

EXHIBIT C

STOCK PLEDGE AGREEMENT

This Stock Pledge Agreement ("Agreement") is made effective as of the 31st day of August, 1996, by and between **THOMAS G. GROOVER**, (hereinafter referred to as the "Secured Party") and **D. F. STAFFORD** and **CHARLES N. GAULT** (hereinafter jointly and severally referred to as "Debtor").

NOW, THEREFORE, for and in consideration of the mutual agreements, warranties, and representations made in this agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties hereby agree as follows:

1. Certain Definitions. As used in this Agreement, the following terms shall have the following meanings:

(a) "Stock Purchase Agreement" means the Stock Purchase Agreement by and between Secured Party and Debtor.

(b) "Collateral" means the 525 shares owned by Secured Party (hereinafter collectively the "Stock");

(c) "Liabilities" mean: the secured promissory note attached as Exhibit B to the Stock Purchase Agreement of which this Agreement is Exhibit C; and,

2. Security. To secure the payment of the Liabilities, Debtor does hereby grant to Secured Party a security interest in the Collateral. Debtor and Secured Party agree to execute such instruments, documents, and statements including, but not limited to, UCC financing statements and stock certificates as Secured Party may require to make and keep said security interest in the Collateral enforceable and perfected and Debtor shall take such other action as may be required to perfect Secured Party's security interest in the Collateral and, unless prohibited by law, Debtor hereby authorizes Secured Party to execute in the name and on behalf of the Debtor and to file any such instruments, documents, and statements on Debtor's behalf. The Debtor specifically agrees that a photographic copy of this Agreement may be filed as a financing statement.

3. Ownership of Collateral. Except as otherwise permitted by this Agreement, Debtor represents, warrants, and covenants to Secured Party that the Collateral is now and, so long as any Debtor is obligated to Secured Party for any of the Liabilities, will be owned by Debtor and that no other person, entity, or government has any right, title, interest, claim, or lien thereon or thereto and that said Collateral is and will remain free and clear of all encumbrances, liens, and security interests other than the security interest granted hereunder to Secured Party. Debtor shall pay and discharge when due all taxes, levies, and other charges upon it and upon the Collateral and shall defend the Collateral against all claims of any person, entity, or government.

4. Debtor's Representations, Warranties, and Covenants. Debtor will not, except as otherwise permitted by this Agreement, sell, assign, lease, transfer, mortgage, pledge, encumber, or otherwise dispose of the Collateral or any part thereof or any interest therein or attempt to do so without the prior written consent of Secured Party; and, Debtor will not in any manner do any act or omit to do any act which shall in any manner impair or invalidate the security interest of Secured Party in the Collateral. *

5. Events of Default. Provided Secured Party is not in breach of this Agreement or the Asset Purchase Agreement, the occurrence of any one or more of the following events will constitute a default by Debtor under this Agreement ("Event of Default"):

(a) Failure of any Debtor to punctually make payment of any amount payable on any of the Liabilities when and as the same becomes due and payable, whether at maturity, or at a date fixed for partial payment, or by acceleration or otherwise;

(b) If Debtor becomes insolvent or makes an assignment for the benefit of creditors, or if any action is brought by Debtor seeking its dissolution or liquidation of its assets or seeking the appointment of a trustee, interim trustee, receiver or other custodian for any of its property or if Debtor commences a voluntary case under the Bankruptcy Reform Act of 1978, as amended from time to time, or if any reorganization or arrangement proceeding is instituted by Debtor for the settlement, readjustment, composition or extension of any of its debts upon any terms, or if the action or petition is otherwise brought by Debtor seeking similar relief or alleging that it is insolvent or unable to pay its debts as they mature;

(c) If any action is brought against Debtor seeking its dissolution or liquidation of any of its assets, or seeking the appointment of a trustee, interim trustee, receiver or other custodian for any of its property, and such action is consented to or acquiesced in by Debtor or is not dismissed within forty-five (45) days of the date upon which it was instituted; or if any reorganization or arrangement proceeding is instituted against Debtor for the settlement, readjustment, composition or extension of any of its debts upon any terms, and such proceeding is consented to or acquiesced in by Debtor or is not dismissed within forty-five (45) days of the date upon which it is brought; and

(d) If the Collateral is seized or levied upon or a receiver or other custodian is appointed for it.

6. Remedies. Upon the occurrence of any Event of Default, the Secured Party shall forward a notice to cure to Debtor to cure said default. In the event the default is not cured within fifteen (15) days, Secured Party may, at its option, take possession of the Collateral by giving notice to the Debtor. In the event Secured Party does take possession of the Collateral, Debtor hereby appoints Secured Party as Debtor's attorney-in-fact and agent for either the purpose of transferring the Collateral into Secured Party's name so Secured Party becomes the owner of the Collateral or for the purpose of Secured Party selling the Collateral and retaining the proceeds of the sale. If the fair market value of the Collateral or the amount of the proceeds exceed the amount of Debtor's obligations to the Secured Party, Secured Party shall refund the excess to Debtor less reasonable costs associated with the execution of the transaction.

7. Notices. Any notice required to be given hereunder shall be in writing and shall be mailed by registered or certified mail.

8. Severability and Construction.

(a) If any part of this Agreement is, for any reason, declared invalid by a court of competent jurisdiction, such decision or determination shall not affect the validity of any remaining portion and such remaining portion shall remain in full force and effect as if this Agreement had been executed with the invalid portion eliminated; provided, however, that in the event of a declaration of invalidity, the provision declared invalid shall not be invalidated in its entirety, but shall be observed and performed by the parties to the extent such provision is valid and enforceable.

(b) The headings and captions contained in this Agreement are for the purpose of convenience and reference only and are not to be construed as a part of this Agreement. All terms and words used in this Agreement shall be construed to include the number and gender as the context of this Agreement may require.

9. Governing Law and Enforcement. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Alabama, which laws shall prevail in the event of any conflict of law. If any provision of this Agreement is enforced at any time by any party, by or through an attorney at law, the prevailing party shall be reimbursed by the other party, upon demand, for all of the prevailing party's cost and expenses of enforcement including, but not limited to, court costs, reasonable attorneys' fees, and legal expenses.

10. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same instrument.

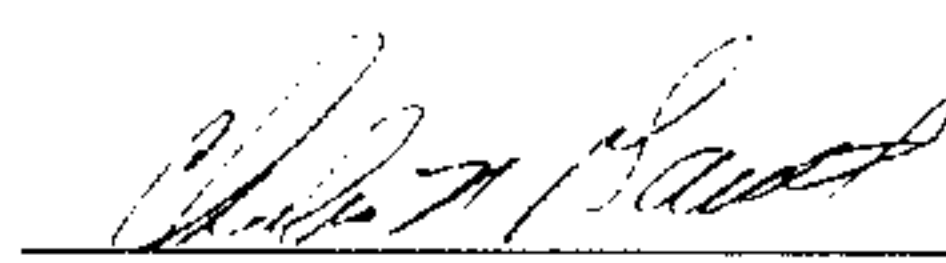
11. Waiver, Modification, and Termination. The failure of any part to insist upon strict compliance by any other party with any obligations or duty under this Agreement shall not constitute a waiver of any party's right to demand exact compliance with any provision of this Agreement. Any waiver, modification, cancellation, termination, or rescission of this Agreement shall not be valid unless the same be in writing and signed by all parties.

12. Entire Agreement. The parties acknowledge that this Agreement and the Asset Purchase Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter of this Agreement and that there are no agreements, understandings, restrictions, warranties, representations, or covenants between the parties concerning the subject matter of this Agreement other than those set forth herein or set forth in documents referenced herein. This Agreement terminates and supersedes any prior agreement between the parties concerning the subject matter of this Agreement.

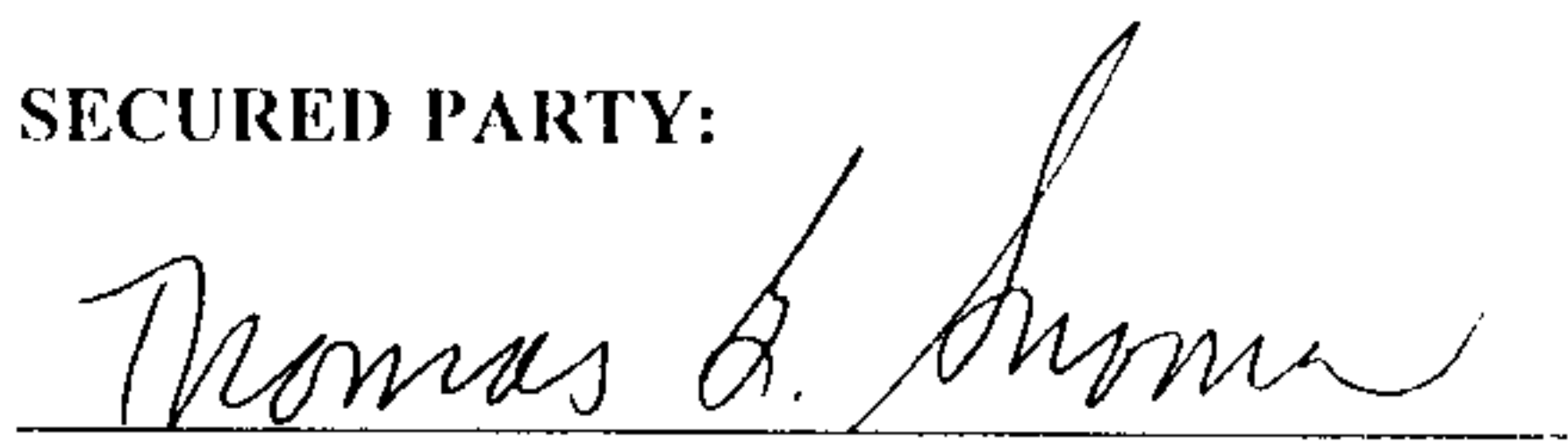
IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

DEBTOR:


D. F. Stafford


Charles N. Gault

SECURED PARTY:


Thomas G. Groover

STOCK PURCHASE AGREEMENT

This Stock Purchase Agreement (the "Agreement") effective as of the 31st day of August, 1996 by and between THOMAS G. GROOVER, ("Seller") a resident of Birmingham, Alabama, and D. F. STAFFORD and CHARLES N. GAULT (jointly and severally "Buyer") residents of the state of Alabama.

W I T N E S S E T H:

WHEREAS, Seller owns 525 shares of the issued and outstanding common stock of Custom Finishing, Inc. (the "Corporation"); and,

WHEREAS, the Seller desires to sell to the Buyer and the Buyer desires to purchase from Seller all right title and interest in all of Seller's shares of stock in the Corporation (the "Purchased Stock") for the purchase price provided herein and subject to the terms, covenants, and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of ten dollars (\$10.00) in hand paid, and the mutual representations, warranties, covenants, and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Stock Transfer and Other Rights. Seller hereby delivers to the Buyer any and all stock certificates representing his ownership in the Corporation. Said stock certificates are attached hereto as Exhibit "A".

2. Purchase and Price.

(a) Seller hereby sells the Purchased Stock to the Buyer free and clear of all liens, encumbrances, and claims, and the Buyer purchases the Purchased Stock from the Seller. The total purchase price which the Buyer shall pay for the Purchased Stock is two hundred sixty-five thousand dollars (\$265,000.00). No payment shall be made in cash at closing. At closing a promissory note with a principal amount of two hundred sixty-five thousand dollars (\$265,000.00) substantially the form attached hereto as Exhibit "B" shall be executed by the Buyer. The Purchased Stock will be pledged to secure the obligations under the promissory note, and the parties will execute a Pledge Agreement substantially in the form attached hereto as Exhibit "C". The Seller will enter into a Covenant not to Compete as set forth in paragraph 9.

(b) Notwithstanding anything contained herein to the contrary, in the event that Buyer sells the purchased stock or if the Corporation shall sell all of its assets, or a substantial part of all of its assets, outside of the ordinary course of business, then the Buyer shall use any sale proceeds to pay toward any outstanding obligation to Seller. If the Corporation, at any time, ceases, for a period in excess of six (6) months, to operate any kind of business or if the Corporation distributes all of its assets, then Seller shall receive as payment in full satisfaction of Buyer's obligation hereunder, an amount equal to the Buyer's obligations hereunder.

3. Representations and Warranties by the Seller. The Seller warrants and represents:

(a) that the Purchased Stock is owned legally and beneficially by Seller free and clear of all liens, encumbrances, claims, charges, and assessments, and, except for the rights contained herein, such Purchased Stock constitutes Seller's entire interest as either an owner or creditor in the Corporation. Upon transfer of the Purchased Stock to the Buyer, the Buyer will, as a result, receive good and marketable title to the Purchased Stock, free and clear of all liens, encumbrances, claims, charges, and assessments.

(b) that the Corporation has clear and marketable title to the assets listed on Exhibit "D" attached hereto and incorporated herein by reference.

(c) that the only liabilities of the Corporation are those listed on Exhibit "E" attached hereto and incorporated herein by reference.

(d) that the financial statements attached hereto as Exhibit "F" and incorporated herein by reference are a true and correct statement of financial condition of the Corporation.

(e) that there has been no material adverse change in the Seller's business or the Corporation's financial statements since the date of the financial statements attached hereto as Exhibit "F".

(f) that the Seller acknowledges and agrees that the covenants and agreements contained in this Agreement are ancillary to the sale of the Stock of the Corporation in exchange for payment of valuable and substantial consideration to the Seller.

4. Closing. The Closing of this purchase and sale of the Purchased Stock shall occur immediately after this Agreement is signed by all parties hereto, and shall be effective as of August 31, 1996.

5. Resignation. At Closing Seller shall resign as an employee, officer, and member of the Board of Directors of the Corporation and shall deliver notice of the same to the Corporation. Said notice shall be in the form attached hereto as Exhibit "G".

6. Corporate Action. The Buyer agrees to cause the Corporation to take the corporate actions set forth below:

(a) To enter into a consulting agreement with Seller for a period ninety (90) days. During that 90-day period, the Corporation shall pay to Seller the sum of one thousand five hundred dollars (\$1,500) per month. In addition, the during 90-day period, the Corporation shall provide the Seller with an automobile and with health insurance. In return for the compensation set forth above, Seller shall render such services as required from time to time by the Corporation. At the end of the 90-day period, so long as the Corporation maintains a group health insurance plan, and so long as the Corporation's group health insurance permits the practice, the Corporation shall continue to pay the premiums under the group insurance policy attributable to individual coverage for Seller until the earlier of the Seller's death or August 4, 1997.

(b) As further compensation due Seller, at the end of the term of the Consulting Agreement the Corporation shall transfer to the Seller free and clear of all liens and encumbrances following automobile owned by the Corporation, a 1993 Cadillac DeVille VIN 1G6CD53B0P424572.

(c) To pay one hundred thousand dollars (\$100,000) in cash at Closing in partial repayment of that certain obligation of the Corporation to the Seller currently in the amount of approximately one hundred thirty-four thousand dollars (\$134,000). That note from the Corporation to the Seller shall then be reamortized over eight (8) years accruing simple interest at the rate of nine percent (9%).

7. Indemnification of Buyer by Seller. Seller shall jointly and severally indemnify, defend, and hold Buyer harmless from and against any and all actions, suits, proceedings, claims, losses, liabilities, damages, expenses, court costs, and reasonable attorney's fees, incurred, incident to, arising out of, or in any other way connected with any liability not disclosed on Exhibit "E".

8. Indemnification of Seller by Buyer. Buyer shall indemnify, defend, and hold Seller harmless from and against any and all actions, suits, proceedings, claims, losses, liabilities, damages, expenses, court costs, and reasonable attorney's fees, incurred, incident to, arising out of, or in any other way connected with:

(a) any misrepresentation, breach of warranty or representation, or nonfulfillment of any covenant or agreement on Buyer's part made or given in or with respect to this Agreement;

(b) any tax lien, levy assessment, payment, liability, penalty, or other tax deficiency, whether disputed or not, suffered or incurred by the Seller relating to the Corporation for any period from the date of closing forward;

(c) any judgment, award, payment, settlement, cost, or expense rendered against, suffered or incurred by the Seller relating to the Corporation as a result of or with respect to any lawsuits or causes of action against or involving Buyer including, but not limited to, any injury to or death of any person, and any property damage or property loss which is solely attributable to Buyer's negligence, intentional act, strict liability, or otherwise; and

(d) any loss, claim, or damage suffered by or asserted against the Seller by reason of any alleged incapacity of Buyer to make and perform this Agreement.

9. Covenants.

(a) Covenant not to compete. The Seller (and his respective heirs, successors, assigns, principals, officers, directors, shareholders, and affiliated or controlled entities) covenants and agrees not to open a business engaged in the business of custom finishing for five years following the date hereof in the states of Alabama, Mississippi, Georgia, Tennessee and Florida. The term of this covenant not to compete shall be extended by the number of days during the term of this Agreement that Seller is in breach of this Agreement or any other agreement with the Buyer. This Agreement shall terminate earlier than five years if Buyer sells all of Buyer's stock in the Corporation or if the Corporation sells substantially all of its assets.

(b) Covenant not to solicit. The Seller (and his, her or its respective heirs, successors, assigns, principals, officers, directors, shareholders, and affiliated or controlled entities) covenants and agrees not to solicit any existing employees or clients of the Corporation to become an employee or client for a period of five years.

10. Other Documents. The parties shall execute all documents reasonably necessary and take all actions required to convey interests in the property described herein, including the Acknowledgment of Receipt attached hereto as Exhibit "H".

11. Notices. All notices under this Agreement shall be in writing and shall be deemed to have been sufficiently given or served and effective for all purposes when presented personally, or transmitted by telex, or upon receipt by registered or certified mail addressed, return receipt requested, at the address shown beneath each party's signature below. Either party may change its address by delivering notice of such change to the other party pursuant to the terms of this paragraph.

12. Alabama Law to Govern; Jurisdiction. This Agreement is executed within the State of Alabama, although it is contemplated that performance hereunder may be either within or without the State of Alabama, and the parties covenant that Alabama law shall govern the execution and interpretation of this Agreement, as well as the rights of the parties hereunder.

13. Representation. The law firm of Feld, Hyde, Lyle & Wertheimer, P.C. has represented the Buyer and only the Buyer in this matter.

14. Counterparts. This Agreement is being executed in several original counterparts, each of which shall for all purposes be deemed an original and all of such counterparts shall together constitute but one and the same agreement.

15. Independence and Severability of Subparagraphs. Each and every paragraph or subparagraph of this Agreement is supported by good and adequate consideration, and every agreement made in each paragraph or subparagraph shall be severable from the other agreements

01/31/2001-03479
02:22 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
015 MMB 29.00