

ASSET AGREEMENT

THIS ASSET AGREEMENT (this "**Agreement**") is made as of this 16th day of December, 2009 (the "**Effective Date**"), by and between **SCOTT LIVING TRUST, DATED JULY 19, 2000**, with an address of 257 Cahaba Falls Lane, Helena, Alabama 35080 (the "**TRUST**"), for the benefit of **FIRST COMMERCIAL BANK**, an Alabama state banking corporation, with an address of 800 Shades Creek Parkway, Birmingham, Alabama 35209 (together with its successors and assigns, the "**Lender**").

RECITALS:

WHEREAS, SCOTT MACHINERY & SUPPLY, INC., an Alabama corporation ("**Scott Machinery**"), is indebted to Lender with respect certain indebtedness in the original principal amount of up to \$1,500,000.00 (as such amount may be extended, amended, renewed, modified or refinanced, the "**Loan**"), as last renewed on October 20, 2009;

WHEREAS, the Loan has matured and as a condition precedent to the renewal and extension of the Loan, Lender requires that, among other things, the Trust join with Scott Machinery as a Co-Borrower under the Loan, which is occurring pursuant to that certain Promissory Note of even date herewith (the "**Note**");

WHEREAS, as a further condition to the renewal and extension of the Loan, Lender requires that the Trust agree that it will not further encumber its assets or sell any its assets without Lender's prior written consent to any such encumbrance or sale;

WHEREAS, the Trust, each Trustee and each Trustor are shareholders in Scott Machinery and will each directly benefit from the renewal and extension of the Loan; therefore, there is adequate and sufficient consideration for the obligations of the Trust under this Agreement, the Note, and each and every other documents executed or delivered in connection with the Loan; and

WHEREAS, Borrower desires to execute this Agreement in order to induce Lender to extend and renew the Loan.

AGREEMENT:

NOW, THEREFORE, in consideration of the foregoing Recitals, Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assets.

(a) Definition. For purposes of this Agreement, the term "Assets" shall mean any and all real property, whether now owned or hereafter acquired or obtained by the Trust, together with all buildings, structures, improvements, and fixtures of every nature whatsoever now or hereafter situated thereon, including, without limitation, the specific list of real properties set forth on Exhibit A attached hereto and incorporated herein.

(b) Listing of Assets. Exhibit A attached hereto contains a true, complete and correct copy of all the Assets as of the date hereof. The Trust shall promptly provide written notice of the Trust obtaining any additional Asset or Assets.

2. No Further Encumbrance. So long as any portion of the Loan remains available to Scott Machinery or the Trust, the Trusty hereby agrees that the Trust shall not grant any additional mortgage, lien, deed of trust, security interest or any other encumbrance on any of the Assets or any other real property that may be owned collectively with other individuals, trusts or entities, without the prior express written consent of Lender, which consent may be granted or refused in Lender's sole and absolute discretion. Notwithstanding the foregoing, Lender acknowledges that the Assets are encumbered by the specific mortgages, liens, deeds of trust, security interests and other encumbrances set forth on the attached Exhibit B (the "**Permitted Encumbrances**"), and Lender consents to all such encumbrances; provided, however, that such consent shall not extend to any additional encumbrance on any of the Assets (including any successor encumbrance to any Permitted Encumbrance). The Trust shall execute and deliver any and all documentation required by Lender to acknowledge this Section 2, and the Trust further authorizes Lender to record any such document in any recording office deemed reasonably necessary by Lender to memorialize this Section 2. Upon request of Lender, the Trust shall provide written verification of its compliance with this Section 2.

3. No Sale of Assets. So long as any portion of the Loan remains available to Scott Machinery or the Trust, the Trust hereby agrees that the Trust shall not sell, assign, lease or otherwise dispose of (whether in one transaction or in a series of transactions), any Assets or any other real property that may be owned collectively with other individuals, trusts or entities, without the prior express written consent of Lender, which consent may be granted or refused in Lender's sole and absolute discretion. The Trust shall execute and deliver any and all documentation required by Lender to acknowledge this Section 3, and the Trust further authorizes Lender to record any such document in any recording office deemed reasonably necessary by Lender to memorialize this Section 3. Upon request of Lender, the Trust shall provide written verification of its compliance with this Section 3.

4. Access. Lender and other persons authorized by Lender shall have access to and the right to enter and inspect the Assets at all reasonable times, and upon reasonable notice to the Trust, including monthly inspections if deemed necessary by Lender.

5. Hold Harmless. The Trust will defend, at its own cost and expense, and hold Lender harmless from, any proceeding or claim affecting the Assets. All costs and expenses incurred by the Trust in protecting its interest hereunder, including all court costs and reasonable attorneys' fees, shall be borne by the Trust.

6. Notices by Governmental Authority, Fire and Casualty Losses, Etc. The Trust shall timely comply with and promptly furnish to Lender true and complete copies of any official notice or claim by any governmental authority pertaining to the Assets. The Trust shall promptly notify Lender of any fire or other casualty or any notice or taking of eminent domain action or proceeding affecting the Assets.

7. **Recording and Filing.** This Agreement and all amendments, supplements and extensions thereto and substitutions therefor may be recorded, filed, rerecorded and refiled in such manner and in such places as Lender shall reasonably request, and the Trust will pay all such recording, filing, rerecording and refiling fees, title insurance premiums, and other charges.

8. **Fees and Expenses.** Scott Machinery or the Trust shall reimburse and pay to Lender all fees, costs, expenses, legal fees, appraisal fees, assignment fees, recordation fees and any and all other fees, expenses or charges incurred by Lender in connection with the Loan, including without limitation, the preparation and execution of this Agreement.

9. **Commercial Purpose.** The Trust represents and warrants that this Agreement and the Loan are solely for the purpose of carrying on or acquiring a business or commercial investment and not for residential, consumer, or household purposes.

10. **Governing Law.** This Agreement shall be governed by the laws of the State of Alabama.

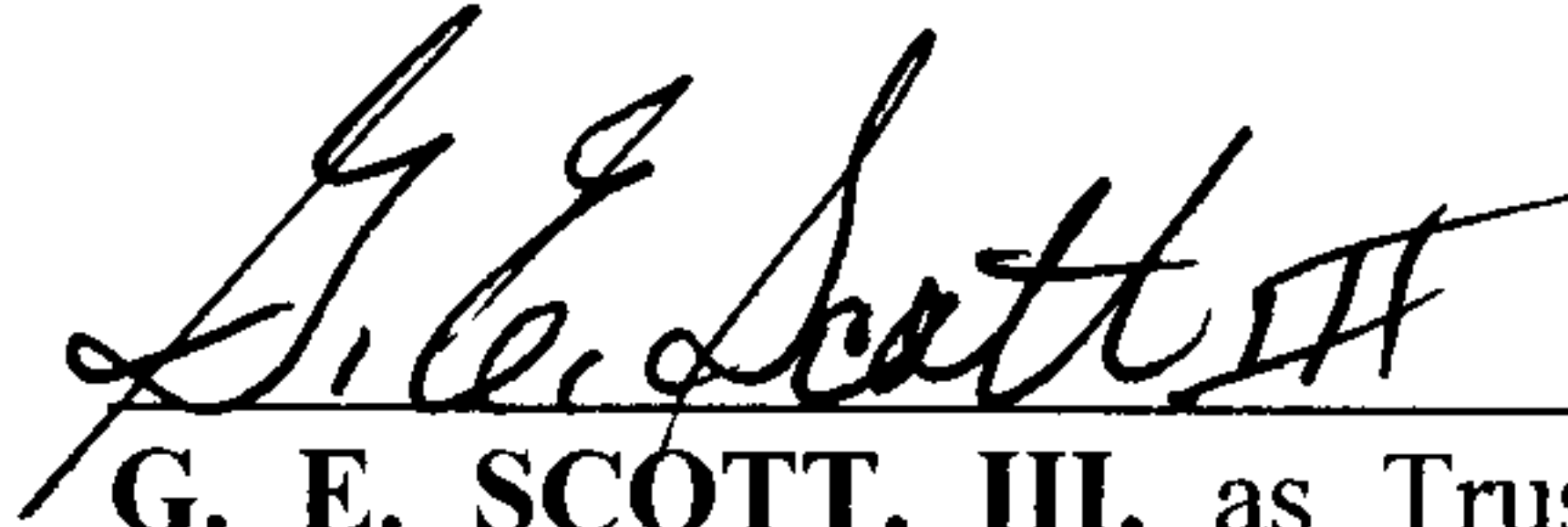
11. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the parties hereto, and their respective heirs, successors and assigns.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Trust has caused this Agreement to be properly executed by its duly authorized representatives as of the date first above written.

TRUST:

THE SCOTT LIVING TRUST, DATED JULY 19, 2000



G. E. SCOTT, III, as Trustee under The Scott Living Trust, Dated July 19, 2000, and any amendments thereto



PEGGY J. SCOTT, as Trustee under The Scott Living Trust, Dated July 19, 2000, and any amendments thereto

STATE OF ALABAMA)

COUNTY OF)

Shelby)

I, the undersigned Notary Public in and for said County, in said State, hereby certify that G. E. SCOTT, III, and PEGGY J. SCOTT, whose names as the under **THE SCOTT LIVING TRUST, DATED JULY 19, 2000, AND ANY AMENDMENTS THERETO**, a trust created under the laws of the State of Alabama, are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they, as such Trustees and with full authority, executed the same voluntarily for and as the act of said trust on the day the same bears date.


Given under my hand and official seal, this 16 day of December, 2009.


Notary Public

My Commission Expires.

KATHY CARLSON WHITMAN
Notary Public, State of Alabama
Alabama State At Large
My Commission Expires
December 21, 2010

EXHIBIT A


20101021000353180 5/6 \$30.00
Shelby Cnty Judge of Probate, AL
10/21/2010 03:30:41 PM FILED/CERT

ASSETS

1. Residential property located at 257 Cahaba Falls Lane, Helena, Alabama 35080 and more particularly described as follows:

LOT 11, ACCORDING TO THE SURVEY OF CAHABA FALLS, AS RECORDED IN MAP BOOK 17, PAGE 79, IN THE PROBATE OFFICE OF SHELBY COUNTY, ALABAMA.

2. Lake House located on Lay Lake.

3. Commercial property located in at 538 Elm Street, Helena Alabama 35080, and more particularly described as follows:

Parcel I

Part of the North half of the Southeast Quarter, Section 15, Township 20 South, Range 3 West, Shelby County, Alabama, said part being more particularly described as follows: Beginning at a point on the South line of said North half of Southeast quarter, which is 1746.96 feet West of the Southeast corner of said North half of Southeast quarter, run thence West along said South line for a distance of 442.44 feet, thence turn and angle to the right of 78 degrees 20 minutes and run Northwesterly for a distance of 263.59 feet, thence turn an angle to the right of 100 degrees 42 minutes and run Easterly for a distance of 496.12 feet, thence turn and angle to the right of 91 degrees 02 minutes and run Southerly for a distance of 266.54 feet to the point of beginning.

Parcel II

Part of the North half of the Southeast quarter, Section 15, Township 20 South, Range 3 West, Shelby County, Alabama, said part being more particularly described as follows: Beginning at the intersection of the South line of said North half of Southeast quarter with the centerline of Prairie Branch which is about 1300.00 feet West of the Southeast corner of said north half of Southeast quarter, run thence West along said South line for about 447.00 feet to a point which is 1746.96 feet West of the Southeast corner of said North half of Southeast quarter, thence turn an angle to the right of 90 degrees 04 minutes and run northerly for a distance of 266.54 feet, thence turn an angle to the right of 88 degrees 58 minutes and run Easterly for a distance of 210.00 feet, more or less, to the centerline of Prairie Branch, run thence Southeasterly along the center of Prairie Branch for a distance of 350.00 feet, more or less to the point of beginning.

EXHIBIT B

PERMITTED ENCUMBRANCES

1. Mortgage in favor of The People Bank & Trust Company dated as of September 2, 2004, in the amount of \$200,000.00 recorded with the Judge of Probate of Shelby County, Alabama, as Instrument Number 20040907000498390, as assigned to Chase Manhattan Mortgage Corporation on March 18, 2005, pursuant to that certain Assignment of Mortgage recorded with the Judge of Probate of Shelby County, Alabama, as Instrument Number 20050426000198790.

2. Mortgage and Assignment of Rents in favor Wachovia Bank National Association dated as of October 12, 2007, in the amount of \$280,000.00 recorded with the Judge of Probate of Shelby County, Alabama, as Instrument Number 20071015000476920.