

02-24-2000

To the Honorable Commissioner of F

original documents or copy thereof.



101275046

1. Name of conveying party(ies):
 American Promotional Events, Inc.
 4511 Helton Drive
 Florence, Alabama 35630
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other _____
 Additional name(s) of conveying party(ies) attached? Yes No

receiving party(ies):
 Name: AmSouth Bank
 Internal Address: Upper Lobby, AmSouth-Sonat Tower
 Street Address: 1900 Fifth Avenue North
 City: Birmingham State: AL ZIP: 35203

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
 Execution Date: January 20, 2000

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State Alabama
 Other _____
 If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
 (Designations must be a separate document from Assignment)
 Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):
 A. Trademark Application No.(s)
 Additional numbers attached? Yes No

B. Trademark Registration No.(s) 75-572,477

5. Name and address of party to whom correspondence concerning document should be mailed:
 Name: J. Kris Lowry; c/o Maynard, Cooper & Gale
 Internal Address: 2400 AmSouth/Harbert Plaza
 Street Address: 1901 Sixth Avenue North
 City: Birmingham State: AL ZIP: 35203

6. Total number of applications and registrations involved: 1
 7. Total fee (37 CFR 3.41) \$ 40.00
 Enclosed
 Authorized to be charged to deposit account
 8. Deposit account number:
 (Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.
To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.
J. Kris Lowry 1-20-00
 Name of Person Signing Signature Date
 Total number of pages comprising cover sheet: _____

Do not detach this portion

Mail documents to be recorded with required cover sheet information to:

02/24/2000 DNGUYEN 00000099 75572477

FC:481

(40.00 OP)

Commissioner of Patents and Trademarks
Box Assignments
Washington, D.C. 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, D.C. 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, D.C. 20503

SECURITY AGREEMENT

(General)

THIS SECURITY AGREEMENT (GENERAL) ("this Agreement") dated January 20, 2000 is between **AMERICAN PROMOTIONAL EVENTS, INC.**, an Alabama corporation, as debtor (the "Borrower"), and **AMSOUTH BANK**, an Alabama banking corporation, as secured party and as Agent for the Lenders (as defined below) (the "Agent").

Recitals

The Borrower has requested that AmSouth Bank and Bank of America, N.A. (together, the "Lenders"), and the Agent enter into a Credit Agreement dated as of January 20, 2000 (the "Credit Agreement") with the Borrower, and, pursuant to the terms of the Credit Agreement, to make available to the Borrower a revolving credit facility in an aggregate principal amount outstanding not to exceed \$22,000,000 (the "Revolving Facility"), the proceeds of which are to be used by the Borrower for general corporate purposes. The Lenders and the Agent are willing to enter into the Credit Agreement and to make the Revolving Facility available to the Borrower only if, the Borrower enters into this Agreement and grants a security interest in the property referenced herein on the terms and to the extent hereinafter set forth.

Agreement

NOW, THEREFORE, in consideration of the foregoing Recitals, and to induce the Lenders to make the Revolving Facility available to the Borrower, the Borrower agrees with the Agent as follows:

ARTICLE 1

Rules of Construction and Definitions

SECTION 1.1 Rules of Construction. This Agreement is subject to the rules of construction set forth in the Credit Agreement.

SECTION 1.2 Definitions. As used in this Agreement, capitalized terms that are not otherwise defined herein have the meanings defined for them in the Credit Agreement and the following terms are defined as follows:

(a) Unless otherwise defined herein, terms used in this Agreement that are defined in Article 9 of the Alabama Uniform Commercial Code have the meanings defined for them therein.

(b) **Account Debtor** includes any buyer or lessee of Inventory from the Borrower, any customer for whom services are rendered or materials furnished by the Borrower and any other person obligated to the Borrower on an Account.

(c) **Accounts** means any and all rights of the Borrower to the payment of money, whether or not evidenced by an instrument or chattel paper and whether or not earned by performance, including a right to payment for goods sold or leased or for services rendered by the Borrower and a right to any amount payable under a Contract.

(d) **Contracts** means all Leases, requisitions, purchase orders, documents, instruments and chattel paper of the Borrower, including any of the same that relate to any Equipment, Fixtures, Inventory, General Intangibles or other property described in the granting clauses set out in Section 2.1, or secure any Accounts, or in connection with which Accounts exist or may be created.

(e) **Credit** means, individually and collectively, all loans, forbearances, renewals, extensions, advances, disbursements and other extensions of credit now or hereafter made by the Lenders to or for the account of the Borrower under the Loan Documents, including the Revolving Facility.

(f) **Deposit Accounts** means all bank accounts and other deposit accounts and lock boxes of the Borrower, including any of the same established for the benefit of the Agent or the Lenders.

(g) **Equipment** means all of the Borrower's equipment, machinery, furniture, furnishings, vehicles, tools, spare parts, materials, supplies, store fixtures, leasehold improvements and all other goods of every kind and nature (other than Inventory and Fixtures).

(h) **Event of Default** is defined in Section 6.1. An Event of Default "exists" if the same has occurred and is continuing.

(i) **Fixtures** means all goods of the Borrower that become so related to particular real estate that an interest in them arises under real estate law.

(j) **General Intangibles** means all choses in action, causes of action and other assignable intangible property of the Borrower of every kind and nature (other than Accounts and Contracts), including corporate and other business records, good will, inventions, designs, patents, patent applications, trademarks, trade names, trade secrets, service marks, logos, copyrights, copyright applications, registrations, software, licenses, permits, franchises, tax refund claims, insurance policies and rights thereunder (including any refunds and returned premiums) and any collateral, guaranty, letter of credit or other security held by or granted to the Borrower to secure payment of Accounts and Contracts.

(k) **Inventory** means all goods, merchandise and other personal property held by the Borrower for sale or lease or furnished or to be furnished by the Borrower under contracts of service or otherwise, raw materials, parts, finished goods, work-in-process, scrap inventory and supplies and materials used or consumed, or to be used or consumed, in the Borrower's present or any future business, and all such property returned to or repossessed or stopped in transit by the Borrower, whether in transit or in the constructive, actual or exclusive possession of the Borrower or of the Agent or the Lenders or held by the Borrower or any other person for the Agent's or the Lenders' account and wherever the same may be located, including all such property that may now or hereafter be located on the premises of the Borrower or upon any leased location or upon the premises of any carriers, forwarding agents, warehousemen, vendors, selling agents, processors or third parties.

(l) **Leases** means (1) all leases and use agreements of personal property entered into by the Borrower as lessor with other persons as lessees, and all rights of the Borrower under such leases and agreements, including the right to receive and collect all rents and other moneys (including security deposits) at any time payable under such leases and agreements, whether paid or accruing before or after the filing of any petition by or against the Borrower under the federal Bankruptcy Code; and (2) all leases and use agreements of personal property entered into by the Borrower as lessee with other persons as lessor, and all rights, titles and interests of the Borrower thereunder, including the leasehold interest of the Borrower in such property and all options to purchase such property or to extend any such lease or agreement.

(m) **Lien** means any mortgage, pledge, assignment, charge, encumbrance, lien, security title, security interest or other preferential arrangement.

(n) **Loan Documents** means this Agreement and the documents described in Exhibit B and all other documents now or hereafter executed or delivered in connection with the transactions contemplated thereby.

(o) **Obligations** means (1) the payment of all amounts now or hereafter becoming due and payable under the Loan Documents, including the principal amount of the Credit, all interest thereon (including interest that, but for the filing of a petition in bankruptcy, would accrue on any such principal) and all other fees, charges and costs (including attorneys' fees and disbursements) payable in connection therewith; (2) the observance and performance by the Borrower of all of the provisions of the Loan Documents; (3) the payment of all sums advanced or paid by the Agent or the Lenders in exercising any of its rights, powers or remedies under the Loan Documents, and all interest (including post-bankruptcy petition interest, as aforesaid) on such sums provided for herein or therein; and (4) all renewals, extensions, modifications and amendments of any of the foregoing, whether or not any renewal, extension, modification or amendment agreement is executed in connection therewith.

(p) **Obligors** means the Borrower, the Individual Guarantors, the Subsidiaries, each other person, if any, executing any Security Document as a grantor, and any other maker,

endorser, surety, guarantor or other person now or hereafter liable for the payment or performance, in whole or in part, of any of the Obligations.

(q) **Permitted Contest** means any appropriate proceeding conducted in good faith by the Borrower to contest any tax, assessment, charge, Lien or similar claim, during the pendency of which proceeding the enforcement of such tax, assessment, charge, Lien or claim is stayed; provided that the Borrower has set aside on its books or, if required by the Agent or the Lenders, deposited as cash collateral with the Agent or the Lenders, adequate cash reserves to assure the payment of any such tax, assessment, charge, Lien or claim.

(r) **Permitted Encumbrances** means any Liens and other matters affecting title to the Property that are described in **Exhibit D**.

(s) **Person** (whether or not capitalized) includes natural persons, sole proprietorships, corporations, trusts, unincorporated organizations, associations, companies, institutions, entities, joint ventures, partnerships, limited liability companies and Governmental Authorities.

(t) **Property** is defined in Section 2.1.

(u) **Security Documents** means all Loan Documents that now or hereafter grant or purport to grant to the Agent or the Lenders any guaranty, collateral or other security for any of the Obligations.

(v) **Tangible Property** means all Equipment, Fixtures, Inventory and other tangible personal property of the Borrower.

ARTICLE 2

Security Agreement

SECTION 2.1 Granting Clauses. As security for the Obligations, the Borrower hereby grants to the Agent security title to and a continuing security interest in, and assigns, transfers, conveys, pledges and sets over to the Agent all of the Borrower's right, title and interest in, to and under the following property, whether now owned or hereafter acquired by the Borrower, and whether now existing or hereafter incurred, created, arising or entered into (collectively, the "Property"):

(a) all Equipment, Fixtures, Inventory and other Tangible Property of the Borrower, and any and all accessions and additions thereto, any substitutions and replacements therefor, and all attachments and improvements placed upon or used in connection therewith, or any part thereof;

(b) all Accounts, Contracts and General Intangibles of the Borrower;

(c) all of the Borrower's rights as an unpaid vendor or lienor, including stoppage in transit, replevin, detinue and reclamation;

(d) all moneys of the Borrower, all Deposit Accounts of the Borrower in which such moneys may at any time be on deposit or held, all investments or securities of the Borrower in which such moneys may at any time be invested and all certificates, instruments and documents of the Borrower from time to time representing or evidencing any such moneys;

(e) any other property of the Borrower now or hereafter held by the Agent or the Lenders or by others for the Agent's or the Lenders' account;

(f) all interest, dividends, proceeds, products, rents, royalties, issues and profits of any of the property described in the foregoing granting clauses, whether paid or accruing before or after the filing of any petition by or against the Borrower under the federal Bankruptcy Code, and all instruments delivered to the Agent or the Lenders in substitution for or in addition to any such property; and

(g) all books, documents, files, ledgers and records (whether on computer or otherwise) covering or otherwise related to any of the property described in the foregoing granting clauses.

No submission by the Borrower to the Agent of a schedule or other particular identification of Property shall be necessary to vest in the Agent the Liens contemplated by this Agreement in each and every item of Property of the Borrower now existing or hereafter acquired, incurred, created, arising or entered into, but rather such Liens shall vest in the Agent immediately upon the acquisition, creation, incurring or arising of, or entering into, any such item of Property without the necessity for any other or further action by the Borrower or by the Agent. The Borrower shall take such steps and observe such formalities as the Agent may request from time to time to create and maintain in favor of the Agent the Liens contemplated by this Agreement in all of the Property, whether now owned or hereafter acquired by the Borrower, and whether now existing or hereafter incurred, created, arising or entered into.

ARTICLE 3

Representations and Warranties

SECTION 3.1 General Representations and Warranties. The Borrower represents and warrants to the Agent and the Lenders as follows:

(a) The Borrower is the owner of the Property and has a good right to grant to the Agent the Liens contemplated by this Agreement; the Property is free and clear of all Liens other than Permitted Encumbrances; and the Borrower hereby warrants and will forever defend the title

to the Property unto the Agent, its successors and assigns, against the claims of all persons whomsoever, whether lawful or unlawful, except those claiming under Permitted Encumbrances.

(b) The addresses of (1) each of the Borrower's places of business, (2) the Borrower's chief executive office, (3) the office where the Borrower keeps the Borrower's records concerning Accounts, and (4) each location where the Borrower keeps any Tangible Property, are correctly and completely set forth on Exhibit C. No change has occurred in such address(es) in the five years immediately preceding the execution of this Agreement.

ARTICLE 4

Certain Covenants and Agreements Concerning Accounts and Inventory

SECTION 4.1 Collection of Accounts; Segregation of Proceeds; etc. Until an Event of Default exists, the Borrower will, at the Borrower's sole expense, collect from the Account Debtors all amounts due on Accounts and Contracts when they shall become due; and upon any default by any Account Debtor, the Borrower shall have the authority, at the Borrower's sole expense, to repossess any goods covered by any Account or Contract in accordance with the terms thereof and applicable law and to take such other action with respect to any such Account, Contract and goods as the Borrower may deem advisable. Immediately upon and after the occurrence of an Event of Default and so long as such Event of Default continues (1) all remittances received by the Borrower as proceeds of Property shall be held in trust for the Agent separate and apart from, and not commingled with, any property of the Borrower, kept capable of identification as the property of the Agent, and delivered daily (or at such other intervals as may be mutually agreed upon in writing) to the Agent in the identical form received, with appropriate endorsements, and accompanied by a report prepared by the Borrower in such form as the Agent may require; and (2) the Borrower shall do any or all of the following upon demand of the Agent therefor: (i) give written notice of the Agent's Liens on the Accounts and Contracts to the Account Debtors in such form and at such times as the Agent may require; (ii) open and maintain at the Borrower's expense a lock box with the Agent for the receipt of all remittances with respect to Property and execute a lock box agreement satisfactory to the Agent governing such lock box; and (iii) notify the Account Debtors to make payments on the Accounts and Contracts directly to the Agent or to said lock box. All items received by the Agent shall be credited to the Obligations in accordance with Section 5.9.

SECTION 4.2 Attorney-in-Fact. The Borrower hereby constitutes and appoints the Agent, or any other person whom the Agent may designate, as the Borrower's attorney-in-fact, at the Borrower's sole cost and expense, to exercise at any time an Event of Default exists, all of the powers set forth in Section 7.4, all of which powers, being coupled with an interest, shall be irrevocable until this Agreement is terminated in accordance with Section 8.15: (1) to transmit to Account Debtors notice of the Agent's Liens on the Accounts and Contracts and to demand and receive from Account Debtors information concerning the Accounts and Contracts; (2) to notify

Account Debtors to make payments on the Accounts and Contracts directly to the Agent or to a lock box designated by Agent; (3) to take or to bring, in the name of the Agent or in the name of the Borrower, all steps, action, suits or proceedings deemed by the Agent necessary or desirable to effect collection of the Accounts and Contracts; (4) to receive, open and dispose of all mail addressed to the Borrower that is received by the Agent; and (5) to receive, take, endorse, assign and deliver in the Agent's or the Borrower's name any instruments relating to Accounts and Contracts. All acts of such attorney-in-fact or designee taken pursuant to this Section 4.2 or Section 7.4 are hereby ratified and approved by the Borrower, and said attorney shall not be liable for any acts or omissions, nor for any error of judgment or mistake of fact or law.

SECTION 4.3 Collection Methods. The Borrower shall not institute any proceedings before any Governmental Authority for garnishment, attachment, repossession of property, detinue or make any attempt to repossess any goods covered by any Account or Contract except under the direction of competent legal counsel. The Borrower agrees to indemnify and hold the Agent and the Lenders harmless from any loss or liability of any kind that may be asserted against the Agent or the Lenders by virtue of any proceeding or repossession done or attempted by or on behalf of the Borrower or any actions that the Borrower may make to collect or enforce any Account or Contract or repossess any goods covered by any Account or Contract.

SECTION 4.4 Documentation Regarding Accounts and Contracts. The Borrower shall keep accurate and complete records of the Borrower's Accounts and Contracts and shall promptly deliver to the Agent from time to time on request (a) a detailed aged trial balance (Schedule of Accounts), in form and substance acceptable to the Agent, of all then-existing Accounts, (b) the original copy of all Contracts and other documents evidencing or relating to the Accounts so scheduled, (c) such other information relating to the then-existing Accounts and Contracts as the Agent shall reasonably request, and (d) formal written assignments or schedules specifically describing the Accounts and Contracts and confirming the Agent's Liens thereon.

SECTION 4.5 Verification of Accounts and Contracts. Any of the Agent's officers, employees or agents shall have the right at any time in the Agent's name or in the name of the Borrower, to verify with any Account Debtor the validity or amount of, or any other matter relating to, any Accounts and Contracts by mail, telephone, fax or otherwise.

SECTION 4.6 Documentation Regarding Inventory. The Borrower shall keep accurate and complete records of the Inventory, and shall promptly furnish to the Agent from time to time on request (a) a current Schedule of Inventory in form and substance satisfactory to the Agent, based upon such inventory accounting practices as are satisfactory to the Agent, and (b) the original copy of all documents related to such Inventory. Such schedule of Inventory shall provide the Agent with such information as the Agent shall request.

ARTICLE 5

Other Covenants and Agreements

SECTION 5.1 General. The Borrower covenants and agrees with the Agent and the Lenders as follows:

(a) The Borrower shall not add to or change any of the locations set forth in Exhibit C or, except for the sale of Inventory in the ordinary course of business, remove any Tangible Property other than motor vehicles (or in the case of any motor vehicle change the place at which it is principally garaged) from the locations specified therefor in Exhibit C, without the Agent's prior written consent.

(b) The Borrower shall notify the Agent in writing of any proposed addition to or change in any of the locations described in Section 5.1(a) at least 60 days prior to the date of the proposed change and shall furnish the Agent with any information requested by the Agent in considering the proposed change. In connection with any such addition or change, the Borrower shall execute and file any financing statements required by the Agent to perfect, preserve and protect the Liens of the Agent in the Property.

(c) The Borrower is and shall remain the owner of all of the locations described in Section 5.1(a) except any leased locations described in Exhibit C. The Borrower shall promptly deliver to the Agent a written waiver or subordination (in form and substance satisfactory to the Agent) of any Lien with respect to the Property that the owner might have.

(d) The Borrower shall not allow any of the Property that is not a Fixture to become affixed to any real estate other than that, if any, shown as being owned by the Borrower in Exhibit A without the prior written consent of the Agent. If at any time any of the Tangible Property should, notwithstanding the foregoing, be affixed to any other real estate, the security interest of the Agent under this Agreement shall nevertheless attach to and include such Tangible Property. The Borrower shall promptly furnish to the Agent a description of any such real estate and the names of the record owners thereof, execute such additional financing statements and other documents as the Agent may require, obtain from the owners of such real estate and the holders of any Liens thereon such Lien waivers, subordination agreements and other documents as the Agent may request, and shall take such other actions as the Agent may deem necessary or desirable to preserve and perfect the Agent's security interest in such Tangible Property as a first priority perfected security interest.

(e) The Borrower will not, without the prior consent of the Agent, (1) sell, lease, transfer, convey or otherwise dispose of any of the Property, except for the sale of Inventory in the ordinary course of business, (2) pledge or grant any security interest in any of the Property to any person, except for Permitted Encumbrances, (3) permit any Lien to attach to any of the Property or any levy to be made thereon or any financing statement to be on file with respect to any of the Property, except those related to Permitted Encumbrances, or (4) permit any default

or violation to occur under any agreement, covenant or restriction included in Permitted Encumbrances.

(f) At the request of the Agent, the Borrower will join with the Agent in executing one or more financing statements pursuant to the Uniform Commercial Code in form satisfactory to the Agent covering the Property and will pay the costs of filing the same in all public offices wherever filing is deemed necessary or prudent by the Agent. If the Borrower fails or refuses to execute any such financing statement, the Agent may file an executed copy or photocopy of an executed copy of this Agreement as a financing statement in any such offices to the extent permitted by applicable law.

(g) The Agent may correct any patent errors in this Agreement or any financing statements or other documents executed in connection herewith.

(h) The Borrower shall inform the Agent in writing of any material adverse change in any of the representations and warranties of the Borrower under this Agreement, promptly after the Borrower shall learn of such change.

(i) The Borrower shall furnish to the Agent from time to time statements and schedules further identifying and describing the Property and such other reports in connection with the Property as the Agent may reasonably request, all in reasonable detail.

(j) The Borrower shall keep and maintain at the Borrower's own cost and expense complete records of the Property, including a record of all payments received and all credits granted with respect to the Property and all other dealings with the Property. Upon request of the Agent, the Borrower shall make proper entries in such records disclosing the assignment of the Property to the Agent and shall segregate and mark such records with the Agent's name in a manner satisfactory to the Agent. If an Event of Default exists, the Borrower shall deliver such records to the Agent on demand.

SECTION 5.2 Taxes and Assessments. The Borrower shall pay when due all taxes, assessments and other charges levied or assessed against any of the Property, and all other claims that are or may become Liens against any of the Property, except any that are Permitted Encumbrances or that are being contested by Permitted Contests; and should default be made in the payment of same, the Agent, at its option, may pay them.

SECTION 5.3 Insurance.

(a) The Borrower shall maintain business interruption insurance in such amounts as is customary for businesses in the Borrower's industry and shall further keep the Tangible Property insured in such amounts, with such companies and against such risks as may be satisfactory to the Agent. All such policies shall name the Agent as an additional loss payee and shall contain an agreement by the insurer that they shall not be cancelled without at least 30 days' prior written notice to the Agent. The Borrower shall cause duplicate originals of such insurance

policies to be deposited with the Agent. If requested by the Agent, the Borrower shall, at least 10 days prior to the due date, furnish to the Agent evidence of the payment of the premiums due on such policies.

(b) The Borrower hereby assigns to the Agent each policy of insurance covering any of the Property, including such business interruption insurance policies maintained by the Borrower and all rights to receive the proceeds and returned premiums of such insurance. With respect to all such insurance policies, the Agent is hereby authorized, but not required, on behalf of the Borrower, to collect for, adjust and compromise any losses and to apply, at its option, the loss proceeds (less expenses of collection) to the Obligations, in any order and whether due or not, or to the repair, replacement or restoration of the Property, or to remit the same to the Borrower; but any such application or remittance shall not cure or waive any default by the Borrower and shall not operate to abate, satisfy or release any of the Obligations. If any insurance proceeds are received by the Borrower, the Borrower shall promptly apply such proceeds to the repair, replacement or restoration of the Property unless the Borrower receives contrary directions from the Agent.

(c) In case of a sale pursuant to the default provisions hereof, or any conveyance of all or any part of the Property in extinguishment of the Obligations, title to all such insurance policies and the proceeds thereof and unearned premiums with respect thereto shall pass to and vest in the purchaser of the Property.

SECTION 5.4 Care of Tangible Property; Notice of Loss, etc. The Borrower shall: (a) at all times maintain the Tangible Property in as good condition as it is now in, reasonable wear and tear alone excepted; (b) not use the Tangible Property, or permit it to be used, in violation of any Governmental Requirement; and (c) notify the Agent immediately in writing of any event causing material loss or depreciation in value of any of the Property and of the amount thereof (other than ordinary wear and tear).

SECTION 5.5 Filing Fees and Taxes. The Borrower agrees, to the extent permitted by law, to pay all recording and filing fees, revenue stamps, taxes and other expenses and charges payable in connection with the execution and delivery of the Loan Documents, and the recording, filing, satisfaction, continuation and release thereof.

SECTION 5.6 Use of Tangible Property. The Borrower agrees (a) to comply with the terms of any lease covering the premises on which any Tangible Property is located and all Governmental Requirements concerning such premises or the conduct of business thereon; (b) not to conceal or abandon the Tangible Property; and (c) not to lease or hire any of the Tangible Property to any person or permit the same to be leased or used for hire except pursuant to Permitted Encumbrances.

SECTION 5.7 Deposit Accounts. The Borrower agrees to maintain the Deposit Accounts on deposit with the Agent or the Lenders. As security for the Obligations, the Borrower hereby assigns and transfers to the Agent and the Lenders the exclusive dominion and control of

the Deposit Accounts, including the right to withdraw funds therefrom. All proceeds in the Deposit Accounts shall continue to be collateral security for all of the Obligations and shall not constitute payment thereof until applied as hereinafter provided. No instruments deposited into any Deposit Account or otherwise received by the Agent or the Lenders pursuant to this provision shall constitute final payment until finally collected.

SECTION 5.8 Contracts.

(a) The Borrower shall perform all of the Borrower's obligations under each Contract in accordance with its terms and shall not commit or permit any default on the part of the Borrower thereunder. The Borrower shall not (1) cancel or terminate any material Contract or consent to or accept any cancellation or termination thereof; (2) modify any material Contract or give any consent, waiver or approval thereunder; (3) waive any default under any material Contract; or (4) take any other action in connection with any material Contract that would impair the value of the interests of the Borrower thereunder or the interests of the Agent under this Agreement.

(b) The Borrower shall notify the Agent promptly in writing of any matters affecting the value, enforceability or collectibility of any of the Contracts, including material defaults, delays in performance, disputes, offsets, defenses, counterclaims, returns and rejections and all reclaimed or repossessed property.

SECTION 5.9 Application of Payments and Collections. The Borrower irrevocably waives the right to direct the application of any payments and collections at any time or times hereafter received by the Agent from or on behalf of Borrower, and the Borrower irrevocably agrees that the Agent shall have the continuing exclusive right to apply and reapply any and all such payments and collections received at any time or times hereafter by the Agent or its agent against the Obligations, in such order and in such proportions as the Agent may deem advisable, whether due or not, and notwithstanding any entry by the Agent upon its books and records.

SECTION 5.10 Instruments, Documents and Chattel Paper. Immediately upon the Borrower's receipt of any Property that consists of or is evidenced or secured by an agreement, instrument, document or chattel paper, the Borrower shall deliver each original thereof to the Agent, together with appropriate endorsements and assignments in form and substance acceptable to the Agent.

SECTION 5.11 Visitation. The Borrower shall permit representatives of the Agent or the Lenders from time to time (a) to visit and inspect the Property, all records related thereto, the premises upon which any Property is located, and any of the other offices and properties of the Borrower; (b) to inspect and examine the Property and to inspect, audit, check and make abstracts from the books, records, orders, receipts, correspondence and other data relating to the Property or to any transactions between the Borrower and the Agent; (c) to discuss the affairs, finances and accounts of the Borrower with and be advised as to the same by the officers thereof; and (d) to verify the amount, quantity, value and condition of, or any other matter relating to, the Property,

all at such times and intervals as the Agent may desire. The Borrower hereby irrevocably authorizes and instructs any accountants acting for the Borrower to give the Agent any information the Agent may request regarding the financial affairs of the Borrower and to furnish the Agent with copies of any documents in their possession related thereto.

SECTION 5.12 Further Assurances. At the Borrower's cost and expense, upon request of the Agent, the Borrower shall duly execute and deliver, or cause to be duly executed and delivered, to the Agent such further instruments and do and cause to be done such further acts as may be reasonably necessary or proper in the opinion of the Agent or its counsel to perfect, preserve and protect the validity and priority of the Liens of the Agent in the Property and to carry out more effectively the provisions and purposes of this Agreement.

ARTICLE 6

Events of Default

SECTION 6.1 Events of Default. The occurrence of any of the following events shall constitute an event of default (an "Event of Default") under this Agreement (whatever the reason for such event and whether or not it shall be voluntary or involuntary or be effected by operation of law or pursuant to any Governmental Requirement):

(a) any representation or warranty made in this Agreement or in any of the other Loan Documents shall prove to be false or misleading in any material respect as of the time made; or

(b) any report, certificate, financial statement or other instrument furnished in connection with the Credit, this Agreement or any of the other Loan Documents, shall prove to be false or misleading in any material respect as of the time made; or

(c) default shall be made in the payment when due of any of the Obligations; or

(d) default shall be made in the due observance or performance of any covenant, condition or agreement on the part of the Borrower to be observed or performed pursuant to the terms of this Agreement (other than any covenant, condition or agreement, default in the observance or performance of which is elsewhere in this Section 6.1 specifically dealt with) and such default shall continue unremedied until the first to occur of (1) the date that is 15 days after written notice by the Agent to the Borrower; or (2) the date that is 15 days after the Borrower first obtains knowledge thereof; or

(e) any default or event of default, as therein defined, shall occur under any of the other Loan Documents (after giving effect to any applicable notice, grace or cure period specified therein).

ARTICLE 7

Remedies

SECTION 7.1 Certain Rights of Agent After Default. If an Event of Default exists that does not already result in the automatic acceleration of the Obligations under another Loan Document, the Agent shall have, in addition to any other rights under this Agreement or under applicable law, the right, without notice to the Borrower (or with notice to the Borrower if notice is required and cannot be waived under applicable law), to take any or all of the following actions at the same or different times:

(a) The Agent may charge, set-off and otherwise apply all or any part of the Obligations against the Deposit Accounts, or any part thereof.

(b) The Agent may exercise any rights, powers and remedies of the Borrower in connection with any Contract or otherwise in respect of the Property, including any rights of the Borrower to demand or otherwise require payment of any amount under, or performance of any provision of, any Contract, and to modify, amend, terminate, replace, settle or compromise any Contract or any sum payable thereunder.

(c) The Agent may (1) notify Account Debtors that Accounts and Contracts have been assigned to the Agent, demand and receive information from Account Debtors with respect to Accounts and Contracts, forward invoices to Account Debtors directing them to make payments to the Agent, collect all Accounts and Contracts in the Agent's or the Borrower's name and take control of any cash or non-cash proceeds of Property; (2) enforce payment of any Accounts and Contracts, prosecute any action or proceeding with respect to Accounts and Contracts, extend the time of payment of Accounts and Contracts, make allowances and adjustments with respect to Accounts and Contracts and issue credits against Accounts and Contracts, all in the name of the Agent or the Borrower; (3) settle, compromise, extend, renew, release, terminate or discharge, in whole or in part, any Account or Contract or deal with the same as the Agent may deem advisable; and (4) require the Borrower to open all mail only in the presence of a representative of the Agent, who may take therefrom any remittance on any of the Property.

(d) The Agent may (1) enter upon the premises of the Borrower or any other place where any Property is located, and through self-help and without judicial process, without first obtaining a final judgment or giving the Borrower notice and opportunity for a hearing and without any obligation to pay rent, remove the Property therefrom to the premises of the Agent or its agent for such time as Agent may desire to collect or liquidate the Property; (2) require the Borrower to assemble the Tangible Property and make it available to the Agent at the Borrower's premises or any other place selected by the Agent, and to make available to the Agent all of the Borrower's premises and facilities for the purpose of the Agent's taking possession of, removing or putting the Tangible Property in salable form; and (3) use, and permit the Agent or any purchaser of any of the Property from the Agent to use, without charge, the Borrower's labels, General Intangibles and advertising matter or any property of a similar nature, as it pertains to

or is included in the Property, in advertising, preparing for sale and selling any Property, and in finishing the manufacture, processing, fabrication, packaging and delivery of the Inventory; and the Borrower's rights under all licenses, franchise agreements and other General Intangibles shall inure to the Agent's benefit.

(e) The Agent, without demand of performance or other demand, advertisement or notice of any kind (except any notice required by law of a proposed disposition of the Property, which may be given in the manner specified in Section 8.1) to or upon the Borrower or any other person (all of which demands, advertisements and notices are hereby expressly waived, to the extent permitted by law), may forthwith collect, receive, appropriate, repossess and realize upon all or any part of the Property, and may forthwith sell, lease, assign, give options to purchase, or sell or otherwise dispose of and deliver all or any part of the Property (or contract to do so), in one or more parcels at public or private sale or sales, at any exchange, broker's board or at any of the Agent's offices or elsewhere at such prices as the Agent may deem best, for cash or on credit or for future delivery without assumption of any credit risk. To the extent permitted by law, the Property shall be sold free of any right of redemption, which right of redemption the Borrower hereby releases. To the extent permitted by applicable law, the Borrower waives all claims, damages, and demands against the Agent arising out of the repossession, retention or sale of the Property.

SECTION 7.2 Repossession of the Property; Care and Custody of the Property; etc.

(a) The Borrower shall give the Agent written notice in the manner set forth in Section 8.1 within 24 hours of the date of repossession if the Borrower alleges that any other property of the Borrower was left on or in the repossessed Property at the time of repossession; and such notice shall be an express condition precedent to any action for loss or damages in connection therewith. After receiving any such notice the Agent will have a reasonable time to notify the Borrower as to where the Borrower can collect such property.

(b) The Borrower irrevocably invites the Agent and its agents to enter upon any premises on which any of the Property is now or hereafter located for all purposes related to the Property, including repossession thereof, and consents to any such entry and repossession. Any such entry by the Agent or its agents shall not be a trespass upon such premises, and any such repossession shall not constitute conversion of any Property. The Borrower agrees to indemnify and hold the Agent harmless against, and hereby releases the Agent from, any actions, claims, costs, liabilities or expenses arising directly or indirectly from any entry upon such premises and any repossession of any Property.

(c) If the Agent shall repossess any Property at a time when no Event of Default exists and the repossessed Property is thereafter returned to the Borrower, the damages therefor, if any, shall not exceed the fair rental value of the repossessed Property for the time it was in the Agent's possession.

(d) The Agent shall be deemed to have exercised reasonable care in the custody and preservation of any Property in its possession if it takes such reasonable actions for that purpose as the Borrower shall request in writing, but the Agent shall have sole power to determine whether such actions are reasonable. Any omission to do any act not requested by the Borrower shall not be deemed a failure to exercise reasonable care.

SECTION 7.3 Application of Proceeds. The net cash proceeds resulting from the exercise of any of the rights, powers and remedies of the Agent under this Agreement, after deducting all charges, expenses, costs and attorneys' fees relating thereto, including all costs and expenses incurred in securing the possession of Property, moving, storing, repairing or finishing the manufacture of Property, and preparing the same for sale, shall be applied by the Agent to the payment of the Obligations, whether due or to become due, in such order and in such proportions as the Agent may elect; and the Obligors shall remain liable to the Agent for any deficiency.

SECTION 7.4 Attorney-in-Fact After Default. At any time when an Event of Default exists, the Agent or any other person serving as the Borrower's attorney-in-fact under Section 4.2 shall have the following powers: (a) to sell or assign any of the Property upon such terms, for such amounts and at such times as the Agent deems advisable and to execute any bills of sale or assignments in the name of the Borrower in relation thereto; (b) to take control, in any manner, of any item of payment on, or proceeds of the Property; (c) to use the information recorded on or contained in any data processing equipment and computer hardware and software relating to the Property to which the Borrower has access; (d) to settle, adjust, compromise, extend, renew, discharge, terminate or release the Property in whole or in part; (e) settle, adjust or compromise any legal proceedings brought to collect the Property; (f) to prepare, file and sign the Borrower's name on any proof of claim in bankruptcy or similar document against any Account Debtor; (g) to prepare, file and sign the Borrower's name on any notice of Lien, assignment or satisfaction or termination of Lien or similar document in connection with the Property; (h) to sign or endorse the name of the Borrower upon any chattel paper, document, instrument, invoice or similar document or agreement relating to the Property; (i) to use the Borrower's stationery and to sign the name of the Borrower to verifications of the Accounts and Contracts and notices thereof to Account Debtors; (j) to notify postal authorities to change the Borrower's mailing address to an address designated by the Agent for receipt of payments on Accounts and Contracts; (k) to enter into contracts or agreements for the processing, fabrication, packaging and delivery of Inventory as said attorney-in-fact or designee or the Agent may from time to time deem appropriate and charge the Borrower's account for any reasonable costs thereby incurred; (l) to exercise all of the Borrower's other rights, powers and remedies with respect to the Property; and (m) to do all acts and things necessary, in the Agent's sole judgment, to carry out the purposes of this Agreement or to fulfill the Borrower's obligations hereunder.

SECTION 7.5 Default Rate. If an Event of Default exists, the Obligations shall bear interest at the Default Rate, until the earlier of (a) such time as all of the Obligations are paid in full or (b) no such Event of Default exists.

SECTION 7.6 Remedies Cumulative. The rights, powers and remedies of the Agent under this Agreement are cumulative and not exclusive of any other rights, powers or remedies now or hereafter existing at law or in equity.

ARTICLE 8

Miscellaneous

SECTION 8.1 Notices.

(a) Any request, demand, authorization, direction, notice, consent or other document provided or permitted by this Agreement shall be given in the manner, and shall be effective at the time, provided in Section 10.2 of the Credit Agreement.

(b) Five Business Days' written notice to the Borrower as provided above shall constitute reasonable notification to the Borrower when notification is required by law; provided, however, that nothing contained in the foregoing shall be construed as requiring five Business Days' notice if, under applicable law and the circumstances then existing, a shorter period of time would constitute reasonable notice.

SECTION 8.2 Expenses. The Borrower shall promptly on demand pay all costs and expenses, including the fees and disbursements of counsel to the Agent, incurred by the Agent in connection with (a) the negotiation, preparation and review of this Agreement (whether or not the transactions contemplated by this Agreement shall be consummated), (b) the enforcement of this Agreement, (c) the custody and preservation of the Property, (d) the protection or perfection of the Agent's rights and interests under this Agreement in the Property, (e) the exercise by or on behalf of the Agent of any of its rights, powers or remedies under this Agreement and (f) the prosecution or defense of any action or proceeding by or against the Agent, the Borrower, any other Obligor, any Account Debtor, or any one or more of them, concerning any matter related to this Agreement, any of the Property, or any of the Obligations. All such amounts shall bear interest from the date demand is made at the Default Rate and shall be included in the Obligations secured hereby. The Borrower's obligations under this Section 8.2 shall survive the payment in full of the Obligations and the termination of this Agreement.

SECTION 8.3 Successors and Assigns. Whenever in this Agreement any party hereto is referred to, such reference shall be deemed to include the successors and assigns of such party, except that the Borrower may not assign or transfer this Agreement without the prior written consent of the Agent; and all covenants and agreements of the Borrower contained in this Agreement shall bind the Borrower's successors and assigns and shall inure to the benefit of the successors and assigns of the Agent.

SECTION 8.4 Independent Obligations. The Borrower agrees that each of the obligations of the Borrower to the Agent under this Agreement may be enforced against the

Borrower without the necessity of joining any other Obligor, any other holders of Liens in any Property or any other person, as a party.

SECTION 8.5 Governing Law. This Agreement shall be construed in accordance with and governed by Title 9 of the U.S. Code and the internal laws of the State of Alabama except as required by mandatory provisions of law (without regard to conflict of law principles) and except to the extent that the validity and perfection of the Liens on the Property are governed by the laws of any jurisdiction other than the State of Alabama.

SECTION 8.6 Date of Agreement. The date of this Agreement is intended as a date for the convenient identification of this Agreement and is not intended to indicate that this Agreement was executed and delivered on that date.

SECTION 8.7 Separability Clause. If any provision of the Loan Documents shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 8.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same agreement.

SECTION 8.9 No Oral Agreements. This Agreement is the final expression of the agreement between the parties hereto, and this Agreement may not be contradicted by evidence of any prior oral agreement between such parties. All previous oral agreements between the parties hereto have been incorporated into this Agreement and the other Loan Documents, and there is no unwritten oral agreement between the parties hereto in existence.

SECTION 8.10 Waiver and Election. The exercise by the Agent of any option given under this Agreement shall not constitute a waiver of the right to exercise any other option. No failure or delay on the part of the Agent in exercising any right, power or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. No modification, termination or waiver of any provisions of the Loan Documents, nor consent to any departure by the Borrower therefrom, shall be effective unless in writing and signed by an authorized officer of the Agent, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No notice to or demand on the Borrower in any case shall entitle the Borrower to any other or further notice or demand in similar or other circumstances.

SECTION 8.11 No Obligations of Agent; Indemnification. The Agent does not by virtue of this Agreement or any of the transactions contemplated by the Loan Documents assume any duties, liabilities or obligations with respect to any of the Property unless expressly assumed by the Agent under a separate agreement in writing, and this Agreement shall not be deemed to confer on the Agent any duties or obligations that would make the Agent directly or derivatively

liable for any person's negligent, reckless or wilful conduct. The Borrower agrees to indemnify and hold the Agent harmless against and with respect to any damage, claim, action, loss, cost, expense, liability, penalty or interest (including attorney's fees) and all costs and expenses of all actions, suits, proceedings, demands, assessments, claims and judgments directly or indirectly resulting from, occurring in connection with, or arising out of: (a) any inaccurate representation made by the Borrower or any Obligor in this Agreement or any other Loan Document; (b) any breach of any of the warranties or obligations of the Borrower or any Obligor under this Agreement or any other Loan Document; and (c) the Property, or the Liens of the Agent thereon. The provisions of this Section 8.11 shall survive the payment of the Obligations in full and the termination, satisfaction, release (in whole or in part) and foreclosure of this Agreement.

SECTION 8.12 Advances by the Agent. If the Borrower shall fail to comply with any of the provisions of this Agreement, the Agent may (but shall not be required to) make advances to perform the same, and where necessary enter any premises where any Property is located for the purpose of performing the Borrower's obligations under any such provision. The Borrower agrees to repay all such sums advanced upon demand, with interest from the date such advances are made at the Default Rate, and all sums so advanced with interest shall be a part of the Obligations. The making of any such advances shall not be construed as a waiver by the Agent of any Event of Default resulting from the Borrower's failure to pay such amounts.

SECTION 8.13 Rights, Liens and Obligations Absolute. All rights of the Agent hereunder, all Liens granted to the Agent hereunder, and all obligations of the Borrower hereunder, shall be absolute and unconditional and shall not be affected by (a) any lack of validity or enforceability as to any other person of any of the Loan Documents, (b) any change in the time, manner or place of payment of, or any other term of the Obligations, (c) any amendment or waiver of any of the provisions of the Loan Documents as to any other person, and (d) any exchange, release or non-perfection of any other collateral or any release, termination or waiver of any guaranty, for any of the Obligations.

SECTION 8.14 Borrower Liable on Contracts. Notwithstanding anything in this Agreement to the contrary (a) the Borrower shall remain liable under the Contracts to perform all of the Borrower's duties and obligations thereunder to the same extent as if this Agreement had not been executed, (b) the exercise by the Agent of any rights hereunder shall not release the Borrower from any of the Borrower's obligations under the Contracts, and (c) the Agent shall not have any obligation or liability under the Contracts by reason of this Agreement or the receipt by the Agent of any payment hereunder, nor shall the Agent be obligated to perform any of the obligations of the Borrower under the Contracts, to take any action to collect, file and enforce any claim for payment assigned to the Agent hereunder, or to make any inquiry as to the nature or sufficiency of any payment received by it or the adequacy of any performance by any party.

SECTION 8.15 Termination. This Agreement and the Agent's Liens in the Property hereunder will not be terminated until one of the Agent's officers signs a written termination agreement. Except as otherwise expressly provided for in this Agreement, no termination of this Agreement shall in any way affect or impair the representations, warranties, agreements or other

obligations of the Borrower or the rights, powers and remedies of the Agent under this Agreement with respect to any transaction or event occurring prior to such termination, all of which shall survive such termination.

SECTION 8.16 Reinstatement. This Agreement, the obligations of the Borrower hereunder, and the Liens, rights, powers and remedies of the Agent hereunder, shall continue to be effective, or be automatically reinstated, as the case may be, if at any time any amount applied to the payment of any of the Obligations is rescinded or must otherwise be restored or returned to the Borrower, any Obligor, or any other person (or paid to the creditors of any of them, or to any custodian, receiver, trustee or other officer with similar powers with respect to any of them, or with respect to any part of their property) upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Borrower, any Obligor or any such person, or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with respect to any of them, or with respect to any part of their property, or otherwise, all as though such payment had not been made.

SECTION 8.17 Submission to Jurisdiction. The Borrower irrevocably (a) acknowledges that this Agreement will be accepted by the Agent and performed by the Borrower in the State of Alabama; (b) submits to the jurisdiction of each state or federal court sitting in Jefferson County, Alabama (collectively, the "Courts") over any suit, action or proceeding arising out of or relating to this Agreement (to enforce the arbitration provisions hereof or, if the arbitration provisions are found to be unenforceable, to determine any issues arising out of or relating to this Agreement) or any of the other Loan Documents (individually, an "Agreement Action"); (c) waives, to the fullest extent permitted by law, any objection or defense that the Borrower may now or hereafter have based on improper venue, lack of personal jurisdiction, inconvenience of forum or any similar matter in any Agreement Action brought in any of the Courts; (d) agrees that final judgment in any Agreement Action brought in any of the Courts shall be conclusive and binding upon the Borrower and may be enforced in any other court to the jurisdiction of which the Borrower is subject, by a suit upon such judgment; (e) consents to the service of process on the Borrower in any Agreement Action by the mailing of a copy thereof by registered or certified mail, postage prepaid, to the Borrower at the Borrower's address designated in or pursuant to Section 8.1; (f) agrees that service in accordance with Section 8.17(e) shall in every respect be effective and binding on the Borrower to the same extent as though served on the Borrower in person by a person duly authorized to serve such process; and (g) **AGREES THAT THE PROVISIONS OF THIS SECTION, EVEN IF FOUND NOT TO BE STRICTLY ENFORCEABLE BY ANY COURT, SHALL CONSTITUTE "FAIR WARNING" TO THE BORROWER THAT THE EXECUTION OF THIS AGREEMENT MAY SUBJECT THE BORROWER TO THE JURISDICTION OF EACH STATE OR FEDERAL COURT SITTING IN JEFFERSON COUNTY, ALABAMA WITH RESPECT TO ANY AGREEMENT ACTIONS, AND THAT IT IS FORESEEABLE BY THE BORROWER THAT THE BORROWER MAY BE SUBJECTED TO THE JURISDICTION OF SUCH COURTS AND MAY BE SUED IN THE STATE OF ALABAMA IN ANY AGREEMENT ACTIONS.** Nothing in this Section 8.17 shall limit or restrict the Agent's right

to serve process or bring Agreement Actions in manners and in courts otherwise than as herein provided.

SECTION 8.18 Arbitration. This Agreement incorporates by reference requirements for arbitration of disputes set forth in the Credit Agreement.

IN WITNESS WHEREOF, the undersigned American Promotional Events, Inc. has caused this Agreement dated January 20, 2000 to be executed by its duly authorized officer.

AMERICAN PROMOTIONAL EVENTS, INC.


By 
Its CHIEF FINANCIAL OFFICER

EXHIBIT A

(Description of Real Estate on
Which Fixtures Are Located)

None

EXHIBIT B

(Loan Documents)

The "**Loan Documents**" referred to in this Agreement include this Agreement and the following:

(a) Credit Agreement dated January 20, 2000 executed by the Borrower, AmSouth Bank, Bank of America, N.A. and AmSouth Bank, as Agent.

(b) Promissory Note dated January 20, 2000 in the principal amount of Twelve Million Dollars (\$12,000,000) executed by the Borrower in favor of AmSouth Bank.

(c) Promissory Note dated January 20, 2000 in the principal amount of Ten Million Dollars (\$10,000,000) executed by the Borrower in favor of Bank of America, N.A.

(d) Security Agreement dated January 20, 2000 executed by the Borrower in favor of AmSouth Bank, as Agent.

(e) Limited Guaranty Agreement dated January 20, 2000 executed by Charles C. Anderson, Sr. in favor of AmSouth Bank, as Agent.

(f) Limited Guaranty Agreement dated January 20, 2000 executed by Joel R. Anderson in favor of AmSouth Bank, as Agent.

(g) Limited Guaranty Agreement dated January 20, 2000 executed by Terrence C. Anderson in favor of AmSouth Bank, as Agent.

(h) Security Agreements dated January 20, 2000 executed by each Subsidiary of the Borrower in favor of AmSouth Bank, as Agent.

(i) Subsidiaries Guaranty Agreement dated January 20, 2000 executed by each Subsidiary of the Borrower in favor of AmSouth Bank, as Agent.

EXHIBIT C

(Addresses)

1. Address(es) of the Borrower's place(s) of business and chief executive office (if the Borrower has more than one place of business):

4511 Helton Drive
Florence, AL 35631

2. Address(es) where Borrower keeps the Borrower's records concerning Accounts:

4511 Helton Drive
Florence, AL 35631

3. Address(es) of property owned by the Borrower on which any Tangible Property is or will be located:

None

4. Address(es) of property not owned by the Borrower on which any Tangible Property is or will be located:

4511 Helton Drive
Florence, AL 35631

EXHIBIT D

(Permitted Encumbrances)

1. The Lien of ad valorem taxes for taxes that are not yet due and payable at the time under consideration.
2. The Liens granted to the Agent under this Agreement.
3. Other Liens of AmSouth Bank.