

CHICAGO TITLE SERVICE
1000 DOLLAR AVE. SUITE LL37
MEMPHIS, TN 38119-0916

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DESDOTO COUNTY, MS
W.E. DAVIS, CH CLERK

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This instrument prepared by
and to be returned to:
Diane S. White
King & Spalding LLP
191 Peachtree Street
Atlanta, Georgia 30303
(404) 572-3419

STATE OF MISSISSIPPI)
COUNTY OF DESOTO)

AMENDED AND RESTATED ASSIGNMENT OF RENTS AND LEASES

THIS AMENDED AND RESTATED ASSIGNMENT OF RENTS AND LEASES is made as of the 7th day of March, 2006, by **J. T. SHANNON LUMBER COMPANY, INC.**, a Mississippi corporation (hereinafter referred to as "Owner"), in favor of **WACHOVIA BANK, NATIONAL ASSOCIATION**, a national banking association, as successor-in-interest to SouthTrust Bank (successor by conversion to SouthTrust Bank, National Association and formerly known as SouthTrust Bank of Alabama, National Association) (the "Lender")

RECITALS:

This Assignment is made as an amendment and restatement of that certain Assignment of Rents and Leases, dated as of October 4, 1996 and recorded at Book 73, Page 93 in the real estate records of DeSoto County, Mississippi (as amended to date, the "Original Assignment"), in order to secure the payment of indebtedness due by Owner, J. T. Shannon Lumber Company of Kentucky, Inc., J.T. Shannon Lumber Company of Pennsylvania, Inc., Shamrock Wood Industries, Inc., Timberland Resources, Inc. and Mill Direct Hardwoods, Inc. (hereinafter referred to individually and collectively as the "Borrower") to Lender pursuant to a certain Loan and Security Agreement, dated as of even date herewith (hereafter, together with any and all further extensions, revisions, modifications, amendments or restatements hereafter made, the

Chicago Lite

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"Loan Agreement"), between Borrower and Lender, including, without limitation, indebtedness (i) in the principal amount of Thirteen Million and No/100 Dollars (\$13,000,000.00), or such portion thereof as has been disbursed from time to time under the provisions of the Loan Agreement with interest thereon as evidenced by a Revolver Note of even date herewith in said amount (as the same may be extended, modified, amended, restated or replaced from time to time, the "Revolver Note"), as executed by Borrower to Lender; (ii) in the principal amount of Three Million and No/100 Dollars (\$3,000,000.00), with interest thereon as evidenced by a Term Note A of even date herewith in said amount (as the same may be extended, modified, amended, restated or replaced from time to time, the "Term Note A"), as executed by Borrower to Lender, (iii) in the principal amount of Two Million Four Hundred Twenty Thousand Four Hundred Eighty-Five and No/100 Dollars (\$2,420,485.00), with interest thereon as evidenced by a Term Note B dated of even date herewith in said amount (as the same may be extended, modified, amended, restated or replaced from time to time, the "Term Note B"), as executed by Borrower to Lender; (iv) in respect of a certain Letter of Credit No. 01.0D.03758, dated October 31, 2001, issued by SouthTrust Bank and continued by Lender, and any and all extensions, modifications, amendments, restatements or replacements thereof, as evidenced by an Amended and Restated Letter of Credit Application and Reimbursement Agreement dated as of even date (hereinafter, together with any and all extensions, modifications, amendments or restatements hereafter made, referred to as the "Letter of Credit Application and Reimbursement Agreement"), between Timberland Resources, Inc. and Lender, and payable as provided in the Letter of Credit Application and Reimbursement Agreement and the Loan Agreement, (v) in respect of certain other Letters of Credit which may be issued pursuant to the Loan Agreement (the Revolver Note, the Term Note A, the Term Note B and the Letter of Credit Application and Reimbursement

Agreement hereinafter collectively referred to as the "Notes") and (vi) in respect of all other "Obligations" (as that term is defined in the Loan Agreement); and as additional security for the full and faithful performance by Borrower of all the terms and conditions of the Loan Agreement, the Notes, and each of the other "Loan Documents" (as defined in the Loan Agreement), including, without limitation, that certain Amended and Restated Deed of Trust and Security Agreement dated of even date herewith (as the same may be amended from time to time, the "Deed of Trust") executed and delivered by Owner to Lender on the property described in Exhibit "A" to secure the payment of the Notes and the other obligations described hereinabove.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and as an inducement to the Lender to make the above-described loans to Borrower, Owner does hereby sell, assign, transfer and set over unto Lender, its successors and assigns, all of the Owner's interest in and to all leases presently existing or hereafter made, whether written or verbal, or any letting of, or agreement for the use or occupancy of, any part of the property described in Exhibit "A" attached hereto, and the improvements located or to be located thereon, including, without limitation, all the rents, issues, and profits now due and which may hereafter become due under or by virtue of said leases and agreements.

Owner agrees to duly operate and maintain the aforesaid property and perform all requisites on its part to keep any and all leases of said property in full force and effect.

Owner agrees that this Assignment shall cover all future leases, whether written or verbal, or any letting of, or any agreement for the use or occupancy of, any part of said property.

Owner further agrees that it will not assign the rent or any part of the rent of said property, nor collect rents under any leases or other agreements relating to use of any part of the property, for a period further in advance than one (1) month without the written consent of the Lender, nor do any other act whereby the lien of the Deed of Trust and this Assignment may, in the opinion of the Lender, be impaired in value or quality.

Owner agrees that it has not and will not enter into any fictitious lease or any lease for the purpose of avoiding creditors, and any attempt to do so will be void. Owner represents and warrants that all leases, if any, presently in effect are, and all leases hereafter entered into will be, arms-length leases for a rental rate, which, in Owner's best judgment, represents a fair market rental.

Owner further agrees that this Assignment is to remain in full force and effect so long as the Notes or any of the other obligations secured hereby remain unpaid or the Loan Agreement remains in effect and that it may be enforced by Lender.

It is expressly understood and agreed by Owner and Lender that said Owner reserves, and is entitled to collect, said rents, income and profits upon, but not prior to, their accrual under the aforesaid leases, and to retain, use and enjoy the same unless and until the occurrence of an Event of Default pursuant to (and as defined in) the Loan Agreement, the Notes, the Deed of Trust, or any of the other Loan Documents, or until, the violation of any term, condition or agreement of this Assignment, each of which shall constitute an "Event of Default" hereunder.

Owner does hereby authorize and empower Lender to collect, upon demand, after any Event of Default hereunder, all of the rents, issues and profits now due or which may hereafter become due under or by virtue of any lease, whether written or verbal, or any letting of, or agreement for the use or occupancy of, any part of said property, and to take such action, legal or

equitable, as may be deemed necessary to enforce payment of such rents, issues and profits. Any lessee making such payment to Lender shall be under no obligation to inquire into or determine the actual existence of any Event of Default claimed by Lender.

Any amount received or collected by Lender by virtue of this Assignment shall be applied for the following purposes, but not necessarily in the order named, priority and application of such funds being within the sole discretion of Lender:

- (1) to the payment of all necessary expenses for the operation, protection and preservation of the property, including the usual and customary fees for management services;
- (2) to the payment of taxes and assessments levied and assessed against the property as said taxes and assessments become due and payable;
- (3) to the payment of premiums due and payable on any insurance policy related to the property;
- (4) to the payment of installments of principal and interest on the Notes as and when they become due and payable pursuant to the terms of the Notes, whether by acceleration or otherwise;
- (5) to the payment of any other sums due to Lender, including those due under the Deed of Trust, the Loan Agreement, and/or any of the other Loan Documents; and
- (6) the balance remaining after payment of the above shall be paid to the then owner of record of said property.

Owner hereby agrees to indemnify Lender for, and to save it harmless from, any and all liability, loss or damage which Lender might incur under said leases or by virtue of this Assignment, and from any and all claims and demands whatsoever which may be assessed against Lender thereunder or hereunder, and, without limiting the generality of the foregoing, covenants that this Assignment, prior to any such default by Owner or any other Borrower and entry upon the property by said Lender by reason thereof, shall not operate to place responsibility for the control, care, management or repair of said property upon Lender, nor the carrying out of any of

the terms and conditions of said leases; nor shall it operate to make Lender responsible or liable for any waste committed on the property by the tenants or any other party, or for any negligence in the management, upkeep, repair or control of said property resulting in loss or injury or death to any tenant, licensee, invitee, employee, stranger or other person.

The terms "Notes", "Deed of Trust", "Loan Agreement" and "Loan Documents" shall refer to such instruments as they may hereafter be amended by Borrower and Lender. This agreement shall be binding upon the Owner, its successors and assigns and subsequent owners of the property, or any part thereof, and shall inure to the benefit of Lender, its successors and assigns and any holder of the Notes.

This Agreement amends and restates in its entirety the Original Assignment, without break in continuity, however, of the liens and security interests granted to Lender, as successor-in-interest to SouthTrust Bank, pursuant to the Original Assignment.

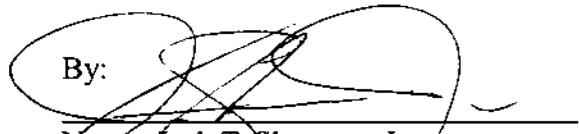
IN WITNESS WHEREOF, Owner and Lender have caused these presents to be properly executed as of the day and year first above written.

WITNESS:



OWNER:

J.T. SHANNON LUMBER COMPANY,
INC.

By: 

Name: Jack T. Shannon, Jr.
Title: President

LENDER:

WACHOVIA BANK, NATIONAL
ASSOCIATION

By: David L. Coody
Name: David L. Coody
Title: Vice President

WITNESS:

Carol Longendo

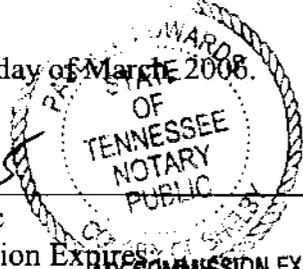
STATE OF Tennessee
COUNTY OF Shelby

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that Jack T. Shannon, Jr., whose name as President of J. T. Shannon Lumber Company, Inc., a Mississippi corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the 7th day of ~~March~~ March 2008.



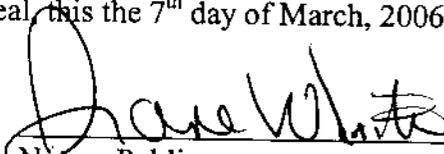
Notary Public
My Commission Expires **MY COMMISSION EXPIRES**
NOVEMBER 30, 2008



STATE OF GEORGIA
COUNTY OF FULTON

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that David L. Coody, whose name as Vice President of Wachovia Bank, National Association, a national banking association, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said association.

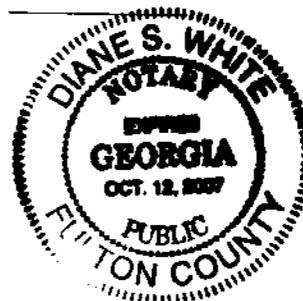
Given under my hand and official seal this the 7th day of March, 2006.



Notary Public

My Commission Expires: _____

(SEAL)



"EXHIBIT A"

Parcel I:

10 acres in the southeast Quarter of Section 34, Township 1 South, Range 8 West described as beginning at a point 365 feet east of the east line of the Dover Corporation property as measured along a projection eastwardly of the north line of said Dover property from the northeast corner thereof; thence north at right angles to said projected line 570.0 feet to a point; thence east at an interior angle of 90 degrees 503.95 feet to a point in the west right of way line of the Illinois Central Railroad; thence south along said west right of way line and at an interior angle of 88 degrees 36 minutes 884.01 feet to a point; thence west at an interior angle of 91 degrees 24 minutes 482.09 feet to a point; thence north at an interior angle of 90 degrees 313.75 feet to the point of beginning.

Parcel II:

A 5.9929 Acre Tract in Section 34, Township 1 South, Range 8 West, in the City of Horn Lake, DeSoto County, Mississippi more particularly described as starting at the Southwest corner of the Northeast Quarter of Section 34, go N 85° 30' 00" E 1463.00 feet along the North line of the Memphis Nipple Co. tract to the Northwest corner of the described tract being the Point of Beginning; thence go S 04° 22' 00" E 400.00 feet along the East line of the Nipple tract to the Southeast corner of said Nipple tract; thence go N 85° 30' 00" E 363.06 feet along the North R.O.W. of Cole Road (60 foot R.O.W.) to a point on the West line of the Shannon Lumber tract; thence go N 04° 37' 13" W 170.29 feet along the West line of said Shannon tract to the Northwest corner of said tract; thence go N 85° 22' 41" E 503.99 feet (call 503.95 feet) along the North line of Shannon tract to the Northeast corner of said tract, this point being in the West R.O.W. of the Illinois Central Gulf Railroad; thence go N 03° 14' 13" W 228.75 feet (Call 228.85 feet) along said West R.O.W. to a point; thence go S 85° 30' 00" W 870.80 feet (call 874.40) along the South lines of Center Street, the Henley tract, and the Oeth tract to the Point of Beginning. This tract contains 5.9929 acres, more or less.

"EXHIBIT A" Continued

Parcel III:

Begin at the northwest corner of the Northeast Quarter of Section 34, Township 1 South, Range 8 West; thence South 05 degrees 32 minutes 10 seconds East 2636.33 feet to a point; thence North 84 degrees 43 minutes 50 seconds East 1460.80 feet to a point; thence South 5 degrees 04 minutes 13 seconds East 399.98 feet to an iron stake (found) in the northerly line of Cole Road (60' Wide); thence North 84 degrees 49 minutes 39 seconds East 365.61 feet with the northerly line of said Road to an iron stake (found) at the end of said Road; thence south 06 degrees 10 minutes 57 seconds East 437.31 feet with the end of said Road and along westerly line of the J.T. Shannon Lumber Co. tract and along the easterly line of Tract No. 1 to an iron stake (set) at the southeast corner of Tract No. 1, said stake being also the True Point of Beginning for the herein described Tract; thence continue South 06 degrees 10 minutes 57 seconds East 277.63 feet along the westerly line of said Lumber Co. Tract to an iron stake (found) at the southwest corner of said Tract; thence North 84 degrees 49 minutes 33 seconds East 467.34 feet along the southerly line of said tract to an iron stake (found) in the westerly line of the Illinois Central Gulf railroad (100' ROW); thence South 03 degrees 59 minutes 06 seconds East 38.90 feet with the westerly line of said Railroad to an iron stake (set) at the northeast corner of the Thomas Edward Gibbs Tract; thence southwestwardly and westwardly along said Gibbs Tract the following courses: South 27 degrees 20 minutes 00 seconds West 42.90 feet to an iron stake (set); south 30 degrees 49 minutes 51 seconds West 611.25 feet to an iron stake (set); South 35 degrees 05 minutes 37 seconds West 103.25 feet to an iron stake (set); south 49 degrees 13 minutes 11 seconds West 109.45 feet to an iron stake (set); south 64 degrees 09 minutes 22 seconds West 109.06 feet to an iron stake (set); south 77 degrees 17 minutes 37 seconds West 105.43 feet to an iron stake (set); thence North 85 degrees 04 minutes 04 seconds West 08.38 feet along a northerly line of said Gibbs Tract to an iron stake (found) in the easterly line of the City of Horn Lake tract, said stake being 138.10 feet northwardly from the southeast corner of said Tract; thence North 04 degrees 45 minutes 02 seconds West 1027.54 feet along easterly line of said Tract to an iron stake (set) at the southwest corner of Tract No. 1; thence North 85 degrees 14 minutes 28 seconds east 372.68 feet along the southerly line of Tract No. 1 to the point of beginning containing 12.7604, more or less, acres of land.

Also in this conveyance is an ingress/egress easement from Cole Road described as follows:

COMMENCING at the True Point of Beginning of the above described property; thence north 06 degrees 10 minutes 57 seconds west, 377.31 feet to a point on the south line of Cole Road; thence south 85 degrees 02 minutes 39 seconds west, along the south line of Cole Road 50 feet to a point; thence south 6 degrees 10 minutes 57 seconds east, 655.14 feet to a point; thence north 85 degrees 02 minutes 39 seconds east 50 feet to a point; thence north 06 degrees 10 minutes 57 seconds west 277.63 feet to the point of beginning of this easement.

LESS AND EXCEPT THAT PORTION of the Parcel III conveyed in Warranty Deed of record in Book 0374, Page 0548, in the Register's Office of DeSoto County, Mississippi.

Parcel IV:

A two acre lot and all improvements thereon on the west side of the I.C. Railroad and south of Horn Lake depot and being part of the Northeast quarter of Section 34, Township 1, Range 8 and further described as beginning at a stake on the railroad track at the southeast corner of the land purchased by W. J. Bynum from John D. Fennell, et ux., on January 28, 1872, as per deed of record in Book 2, Page 250 of the deed records of said county; thence north parallel with the railroad 3 chains 16 links, thence west 6 chains 32 links, thence south 3 chains and 16 links, thence west 6 chains 32 links to the beginning, and containing 2 acres, more or less.