

1362

STATE OF ALABAMA)
COUNTY OF SHELBY)

ASSIGNMENT OF RENTS AND LEASES

KNOW ALL MEN BY THESE PRESENTS: That the undersigned REGENCY CAPITAL II, INC., an Alabama corporation (hereinafter called "Assignor"), in consideration of the sum of One Dollar (\$1.00) and other valuable consideration in hand paid to Assignor by JON W. ROTENSTREICH, GAIL L. BAYER, IRBY COHEN, HOUSTON A. BRICE, JR., FELIX M. DRENNEN, JR., FELIX M. DRENNEN, III, D. RILEY STEWART, CLYDE R. MAGNUSON, SAMUEL R. DEWEY, WILLIAM S. FISHBURNE, III, and C. B. NEVINS, (collectively, the "Assignees") the receipt of which is hereby acknowledged, does hereby sell, assign, transfer, and set over unto Assignees, their heirs and assigns, all of the Assignor'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 real estate described in Exhibit "A" attached hereto, (hereinafter referred to as the "Property") including, without limitation, all the rents, issues, and profits now due and which may hereafter become due under or by virtue of said leases (the foregoing leases, agreements, rents, issues, and profits are collectively referred to herein as the "Leases").

This Agreement is made as additional security for the payment of an indebtedness due by Assignor to Assignees in the principal amount of Two Million and 00/100 Dollars (\$2,000,000) with

Land Title

interest thereon as evidenced by a promissory note (the "Note") executed and delivered by Assignor to Assignees on the date hereof, and as additional security for the full and faithful performance by Assignor of all the terms and conditions of a loan agreement among Assignor, Assignees, and SouthTrust Bank of Alabama, National Association, dated of even date herewith (the "Loan Agreement") and of a mortgage and security agreement of even date herewith (the "Mortgage") executed and delivered by Assignor to Assignees on the Property to secure the payment of the Note.

Assignor agrees duly to operate and maintain the Property and perform all requisites on its part to keep any and all Leases on the Property in full force and effect.

Assignor agrees that this Agreement 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 the Property.

Assignor further agrees that it will not assign the rent or any part of the rent of the Property, nor collect rents under the Leases a period further in advance than thirty (30) days without the written consent of the Assignees, nor do any other act whereby the lien of the Mortgage may, in the opinion of the Assignees, be impaired in value or quality.

Assignor 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. Assignor represents and warrants that the Leases, presently in effect are, and all leases hereafter entered into will be, arms-length leases for a

rental rate, which, in Assignor's best judgment, represents a fair market rental.

Assignor further agrees that this Agreement is to remain in full force and effect so long as the Note remains unpaid and that it may be enforced by Assignees, their heirs and assigns, or the holder of the Note.

It is expressly understood and agreed by Assignor and Assignees hereof that said Assignor reserves, and is entitled to collect, the rents, income, and profits upon, but not prior to, their accrual under the Leases, and to retain, use, and enjoy the same unless and until the occurrence of an Event of Default pursuant to the Loan Agreement, the Note, or the Mortgage or until the violation of any term, condition, or agreement of this Agreement, each of which shall constitute an "Event of Default" hereunder.

Assignor hereby authorizes and empowers Assignees, their heirs and assigns, or the holder of the Note, 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 the 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 Assignees shall be under no obligation to inquire into or determine the actual existence of any default claimed by Assignees.

Any amount received or collected by Assignees, their heirs or assigns, by virtue of this Agreement 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 the holder of the Note:

(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 described herein 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 Regency Note as and when they become due and payable pursuant to the terms of said Regency Note;

(5) to the payment of any other sums due to Assignee, including those due under the Mortgage and Loan Agreement; and

(6) the balance remaining after payment of the above shall be paid to the then owner of record of the Property.

Assignor hereby agrees to indemnify Assignees, their heirs and assigns, for, and to save them harmless from, any and all liability, loss, or damage that Assignees, their heirs and assigns, might incur under the Leases or by virtue of this Agreement, and from any and all claims and demands whatsoever that may be asserted against Assignees, their heirs and assigns, thereunder or hereunder. Without limiting the generality of the foregoing, Assignor covenants that this Agreement, prior to any such default by the Assignor and entry upon the Property by the Assignees, their heirs and assigns, by reason thereof, shall not

BOOK 248 PAGE 98

operate to place upon Assignees, their heirs and assigns, (i) the responsibility for the control, care, management, or repair of the Property; (ii) the obligation of Assignor as landlord under the terms and conditions of said Leases; (iii) the responsibility or liability of the Assignor for any waste committed on the Property by the tenants or any other party; or (iv) the responsibility or liability of the Assignor for any negligence in the management, upkeep, repair, or control of the Property resulting in loss or injury or death to any tenant, licensee, invitee, employee, stranger, or other person.

The terms "Note," "Mortgage," and "Loan Agreement" shall refer to such instruments as they may hereafter be amended by Assignor and Assignee.

IN WITNESS WHEREOF, Assignor has caused these presents to be properly executed on this the 26th day of July, 1989.

REGENCY CAPITAL II, INC.

ATTEST:

By:

Its:

By:

Jeffrey Bager
Its: President

STATE OF ALABAMA)
COUNTY OF Jefferson)

I, the undersigned Notary Public in and for said County, in said State, hereby certify that Jeffrey Bager whose name as President of Regency Capital II Inc., a 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 the 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 26th day of July, 1989.

Johnnie H. Vaughn
NOTARY PUBLIC

My Commission Expires:
9-14-92

This instrument prepared by:

Gail L. Mills
BURR & FORMAN
3000 SouthTrust Tower
Birmingham, Alabama 35203
(205) 251-3000

BOOK 248 PAGE 100

EXHIBIT A

Lot 13D according to Cahaba Park South Resurvey No. 2 as recorded in Map Book 13, page 57 in the Probate Office of Shelby County, Alabama, together with a non-exclusive easement for storm drainage as reserved by the Grantor for the benefit of the above described property in the Deed recorded at Deed Book 92, page 839 in the Probate Office of Shelby County, Alabama, the location of said easement being the easement across the northeast portion of Lot 14B as reflected in the Amended Map of a Resurvey of Lot 14 of Cahaba Park South as recorded in Map Book 10, page 15 in the Probate Office of Shelby County, Alabama, and together with the non-exclusive rights and easements granted to the Grantor for the benefit of the above described property with respect to storm water drainage in the Agreement recorded in Book 92, at page 687 in the Probate Office of Shelby County, Alabama.

Subject to:

1. Ad valorem taxes for the year 1989 which are a lien but are not due and payable until October 1, 1989.
2. Restrictions and covenants contained in the Declaration of Protective Covenants and Agreements as recorded in Volume 248, page 45 in the Office of the Judge of Probate of Shelby County, Alabama.
3. Agreement as recorded in Book 92, page 687 in the Probate Office of Shelby County, Alabama.
4. Easements for utilities and storm and sanitary sewer as reflected on Cahaba Park South Resurvey No. 2 as recorded in Map Book 13, page 57 in the Probate Office of Shelby County, Alabama.
5. Signage easement contained in that certain Warranty Deed of even date herewith, from Highway 280 Associates, Ltd., recorded in Volume 248, Page 69 in the Office of the Judge of Probate of Shelby County, Alabama.
6. Signage Easement Agreement, dated July 24, 1989, by and between 280 Associates, Ltd. and Kovach and Eddleman, an Alabama general partnership, recorded in Volume 248, Page 68 in the Probate Office of Shelby County, Alabama.

BOOK 248 PAGE 101

89 JUL 27 AM 8:54

JUDGE OF PROBATE

1. Deed Tax	\$ _____
2. Mtg. Tax	_____
3. Recording Fee	<u>17.50</u>
4. Indexing Fee	<u>12.00</u>
TOTAL	<u>29.50</u>