

STATE OF ALABAMA       )  
                                  )  
SHELBY COUNTY           )     1768

ASSIGNMENT OF RENTS AND LEASES

1. BY THIS ASSIGNMENT, DANIEL MEADOWS PARTNERSHIP, a Virginia general partnership, duly qualified to do business under the laws of the State of Alabama (hereinafter referred to as "Owner"), for value received, hereby assigns to AMSOUTH BANK, N.A. (hereinafter collectively and severally referred to as "Lender"), all of Owner's right, title, privileges and interest which Owner has and may have in the leases, operating agreements, management agreements, concession agreements, licenses, and all similar agreements, now existing or hereafter made and affecting the real property and the improvements thereon described in Exhibit A attached hereto and incorporated herein by reference (collectively referred to as the "Property"), together with all extensions, renewals, modifications or replacements of said leases and agreements, and together with any and all guarantees of the obligations of the lessees and other obligors thereunder, whether now existing or hereafter executed, and all extensions and renewals of said guarantees. All said leases and all other said agreements described in this Paragraph 1, together with any and all guarantees, modifications, extensions and renewals thereof, are hereinafter collectively and severally referred to as the "Lease".

2. OWNER'S PURPOSE in making this assignment is to relinquish to Lender its right to collect and enjoy the rents, royalties, issues, profits, income and other benefits at any time accruing by virtue of the Lease (hereinafter sometimes called "Rents and Profits") as additional security for the outstanding indebtedness to Lender as evidenced by the Promissory Note in favor of Lender (hereinafter called the "Obligation" or the "Note") dated this same date, in the aggregate original principal sum of \$1,500,000 or so much thereof as may have been advanced from time to time thereunder, executed by Owner, and as additional security for the Owner's obligations under the Construction Loan Agreement, and the Mortgage and Security Agreement ("Mortgage"). The Obligation, the instruments and agreements described in this Paragraph, and all other documents executed in connection with this loan are sometimes referred to as the "Loan Documents".

3. THE PARTIES INTEND that this Assignment shall be a present, absolute and unconditional assignment and shall, immediately upon execution, give Lender the right to collect the rents and profits and to apply them in payment of the principal and interest and all other sums payable on Owner's Obligation, as well as all other sums payable under the Loan Documents. However, Lender hereby grants to Owner a license to collect, subject to the provisions set forth in this Agreement, and in the Loan Documents, the rents and profits as they respectively become due and to enforce the Lease, so long as there is no default by Owner in performance of the terms, covenants or provisions of the Obligation, the other Loan Documents or this Assignment. Nothing contained herein or in any other Loan Document, nor any collection of rents and profits by Lender or by a receiver, shall be construed to make Lender a "mortgagee-in-possession" of the Property so long as Lender has not itself entered into actual possession of the Property.

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*Jack A.*

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(e) Owner shall not discount any future accruing Rents and Profits affecting more than three months rent;

(f) Owner shall not execute any further assignment of any of the Rents and Profits or any interest therein or suffer or permit any such assignment to occur by operation of law except as provided in the Mortgage;

(g) Owner shall not request, consent to, agree to or accept a subordination of the Lease to any mortgage or other encumbrance, or any other lease, now or hereafter affecting the Property or any part thereof, except as provided in the Mortgage;

(h) Owner shall faithfully perform and discharge its obligations under the Lease, and shall give prompt written notice to Lender of any notice of Owner's default received from any obligor under the Lease and furnish Lender with a complete copy of said notice, Owner shall appear in and defend, at no cost to Lender, any action or proceeding arising under or in any manner connected with the Lease; Owner shall enforce the Lease in accordance with commercially reasonable standards against any obligor under the Lease in the case of default under the Lease by any Obligor thereunder;

(i) Owner, on request of Lender, upon entering into any lease or other agreement respecting any part of the Property, shall promptly provide to Lender a true and correct copy of the executed lease or other agreement; each such lease or agreement shall be deemed included in this Assignment automatically as though originally listed herein, and the term "Lease" as used herein shall include such lease or agreement;

(j) Owner shall at all times contract to manage the Property through a qualified manager, and Owner shall obtain the Lender's prior written consent to and approval of the said management contract and manager before execution of and employing the same, which consent and approval shall not be unreasonably withheld or delayed, respectively. After any default by Borrower under the Loan Documents, the said management contract and all of the management, leasing, or other fees under such management contract shall be subordinate to the lien of the Loan Documents;

(k) Nothing herein shall be construed to impose any liability or obligation on Lender under or with respect to the Lease; Owner shall indemnify and hold Lender harmless from and against any and all liabilities, losses and damages which Lender may incur under the Lease or by reason of this Assignment, and Owner shall immediately upon demand reimburse Lender for the amount thereof together with all costs and expenses and reasonable attorneys' fees incurred by Lender; all of the foregoing sums shall bear interest until paid at the rate set forth in the Obligation; and any Rents and Profits collected by Lender may be applied by Lender in its discretion in satisfaction of any such liability, loss, damage, claim, demand, costs, expense or fees.

7. OWNER HEREBY GRANTS TO LENDER THE FOLLOWING RIGHTS:

4. UPON THE OCCURRENCE OF ANY DEFAULT under the terms and conditions of this Assignment or any of the Loan Documents and the expiration of any applicable cure periods, this Assignment shall constitute a direction to and full authority to any and all obligors under the Lease and any guarantor of the Lease to pay all rents and profits to Lender without proof of the default relied upon. Owner hereby irrevocably authorizes any and all obligors under the Lease and any guarantor to rely upon and comply with any notice or demand by Lender for the payment to Lender of any rents and profits due or to become due. Any and all obligors under the Lease and any guarantor shall have no right or duty to inquire whether a default has actually occurred and Owner shall have no claim against any obligor under the Lease or any guarantor for any rents and profits paid by such Obligor Lessee or such guarantor to Lender pursuant to Lender's demand or notice.

5. OWNER WARRANTS:

- (a) that no default exists or will exist on the part of Owner under any Lease;
- (b) that no rent or other payment has been or will be collected under any Lease more than three months in advance;
- (c) that neither the Lease nor any interest therein has been previously or will be assigned or pledged except as provided in the Mortgage;

All the foregoing warranties shall be deemed to be reaffirmed on and as of the time of each Lease executed by Owner on the Property.

6. OWNER AGREES:

- (a) if the Lease provides for a security deposit paid by Lessee to Owner, this Assignment transfers to the Lender all of Owner's right, title and interest in and to the security deposit, provided that Owner shall have the right to retain said security deposit so long as Owner is not in default under this Assignment or the Loan Documents; and provided further that Lender shall have no obligation to any obligor under the Lease with respect to such security deposit unless and until Lender comes into actual possession and control of said deposit;
- (b) to present to Lender, before any Lease is executed on the Property, (other than Leases approved in writing as of this date) a copy of the form of same and obtain Lender's approval of the same, which approval shall not be unreasonably withheld or delayed. Owner shall provide executed originals and/or copies of all Leases to Lender upon demand;
- (c) Owner shall not grant any set-off's or concessions in connection with any Lease, affecting more than three month's rent;
- (d) Owner shall not collect any Rents and Profits more than three months in advance of the date on which they become due under the terms of the Lease;

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(a) Lender shall be deemed to be the creditor of any obligor under the Lease in respect of any assignments for the benefit of creditors and any bankruptcy, arrangement, reorganization, insolvency, dissolution, receivership or other debtor-relief proceedings affecting such obligor (without obligation on the part of Lender, however, to file timely claims in such proceedings or otherwise pursue creditor's rights therein);

(b) Lender shall have the right to assign Owner's right, title and interest in the Lease to any subsequent holder of the Mortgage or any participating interest therein or to any person acquiring title to all or any part of the Property through foreclosure or otherwise, and any subsequent assignee shall have all the rights and powers herein provided to Lender;

(c) Lender shall have the right (but not the obligation), upon any failure of Owner to perform any of its agreements hereunder, to take any action as Lender may deem necessary or appropriate to protect its security, including but not limited to appearing in any action or proceeding and performing any obligations of the lessor under any Lease, and Owner agrees to pay, on demand, all costs and expenses (including without limitation reasonable attorneys' fees) incurred by Lender in connection therewith, together with interest thereon at the rate set forth in the Obligation;

(d) upon default by Owner under any Lease and the expiration of an applicable cure period, the Lender shall have the right, but not the obligation, to cure the same, upon failure of Owner to cure, and Lender shall have the right to add all costs necessary to cure such defaults, including reasonable attorney's fees, to the Note.

(e) upon any default by Owner under this Assignment or under the Loan Documents, and without notice to or consent of Owner, Lender shall have the following rights (none of which shall be construed to be obligations of the Lender):

(i) Lender shall have the right under this Agreement to use and possess, without rental or charge, the furniture, appliances and all other personal property of the Owner located on the Property and used in the operation or occupancy thereof. Lender shall have the right to apply any of the Rents and Profits to pay installments due for personal property rented or purchased on credit, insurance premiums on personal property, or other charges relating to personal property on the Property. However, this Assignment shall not make Lender responsible for the control, care, management or repair of the Property or any personal property or for the carrying out of any of the terms or provisions of the Lease;

(ii) Lender shall have the right to apply the Rents and Profits and any sums recovered by Lender pursuant to Paragraphs 4 and/or 7(a) hereof to Owner's outstanding indebtedness to Lender secured hereby or by any of the Loan Documents, as well as to charges for taxes, insurance, improvements, maintenance and other items relating to the operation of the Property;

(iii) Lender shall have the right to take possession of the Property, manage and operate the Property and Owner's business thereon, and to take possession of and use all books of account and financial records of Owner and its property managers or representatives relating to the Property;

(iv) Lender shall have the right to execute new Leases of any part of the Property, including Leases that extend beyond the term of the Mortgage;

(v) Lender shall have the right to cancel or alter any existing Lease; and

(vi) Lender shall have the authority, as Owner's attorney-in-fact, such authority being coupled with an interest and irrevocable, to sign the name of Owner and to bind Owner on all papers and documents relating to the operation, leasing and maintenance of the Property.

All of the foregoing rights and remedies of Lender are cumulative, and Lender shall also have upon the occurrence of any such default all other rights and remedies provided under the Loan Documents or otherwise available at law or in equity or by statute.

8. This Assignment is intended to be supplementary to and not in substitution for or in derogation of any assignment of rents or other agreement contained in the other Loan Documents. Failure of the Lender to avail itself of any terms, covenants or conditions of this Assignment for any period of time or for any reason shall not constitute a waiver thereof.

9. Notwithstanding any future modification of the terms of the Loan Documents, this Assignment and the rights and benefits hereby assigned and granted shall continue in favor of Lender in accordance with the terms of this Assignment.

10. This Assignment shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto (including without limitation, in the case of Lender, any third parties now or hereafter acquiring any interest in the Obligation or any part thereof, whether by virtue of assignment, participation or otherwise). The words "Owner", "Lender", "obligor under the Lease", and "guarantor", wherever used herein, shall include the persons and entities named herein or in the Lease or any guaranty and designated as such and their respective heirs, legal representatives, successors and assigns, provided that any action taken by the named Lender or any successor designated as such by an instrument recorded in the appropriate office of the County in which the Property is located referring to this Assignment shall be sufficient for all purposes notwithstanding that Lender may have theretofore assigned or participated any interest in the Obligation to a third party. All words and phrases shall be taken to include the singular or plural number, and the masculine, feminine, or neuter gender, as may fit the case.

11. Any change, amendment, modification, abridgement, cancellation, or discharge of this Assignment or any term or provision hereof shall be invalid without the written consent of Lender.

12. Upon payment to Lender of the full amount of all indebtedness and obligations secured hereby and by the Loan Documents, as evidenced by a recorded satisfaction or release of the Mortgage, Note, and guarantees, this Assignment shall be void and of no further effect.

13. All notices given hereunder shall be in writing and shall be personally served on the party to whom addressed or be sent by first-class or certified U.S. mail, postage prepaid, addressed to the parties at the addresses stated below, or at such other address as either party may hereafter notify the other in writing as aforesaid;

**Owner:**

Daniel Meadows Partnership  
10 Inverness Parkway  
P.O. Box 43250  
Birmingham, Alabama 35243

**Lender:**

AmSouth Bank N.A.  
P. O. Box 11007  
Birmingham, Alabama 35288  
Attn: Mr. Robert E. Nesbitt

14. Neither this Assignment nor any memorandum thereof shall be recorded without the prior written approval of Lender.

15. If any provision hereof is determined to be illegal or unenforceable for any reason, the remaining provisions hereof shall not be affected thereby.

16. This Assignment shall be governed by and construed in accordance with the laws of the State of Alabama.

17. This Assignment is subject to the provisions of Paragraph 11 of the Note entitled "Limitation of Liability."

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IN WITNESS WHEREOF, the undersigned Owner has executed this Assignment as of the 22nd day of January, 1986.

DANIEL MEADOWS PARTNERSHIP, a Virginia general partnership

By: THE MEADOWS PARTNERSHIP, a Virginia general partnership, a general partner

By: DANIEL REALTY INVESTMENT CORPORATION-MEADOWS, a general partner

ATTEST:

By

[Signature]

By

[Signature]

[SEAL]

Its

Secretary

Its

VICE PRESIDENT

STATE OF ALABAMA )

JEFFERSON COUNTY )

I, the undersigned, a Notary Public in and for said County in said State, hereby certify that JAMES W. KLUBER, as VICE PRESIDENT of DANIEL REALTY INVESTMENT CORPORATION - MEADOWS, whose name as general partner of THE MEADOWS PARTNERSHIP, a Virginia general partnership, general partner of DANIEL MEADOWS PARTNERSHIP, a Virginia general partnership, is signed to the foregoing agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the agreement, he, as such officer of DANIEL REALTY INVESTMENT CORPORATION -MEADOWS, general partner, and with full authority, executed the same voluntarily for and as the act of said corporation and said partnerships.

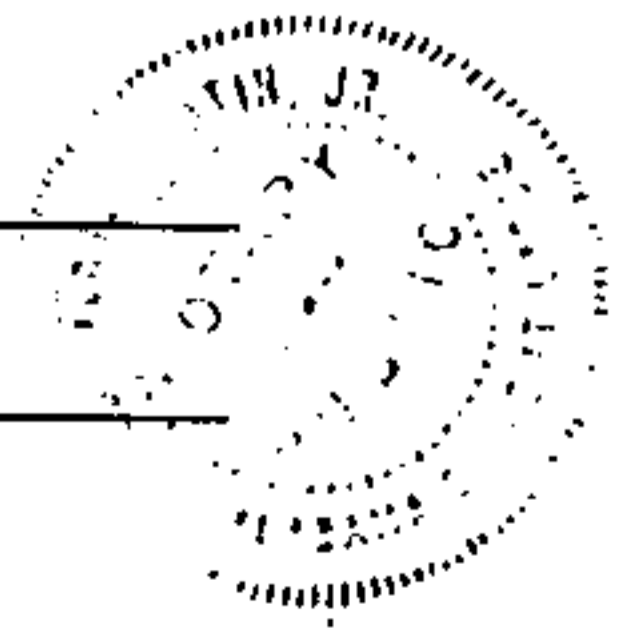
GIVEN under my hand and official seal of office, this 22nd day of January, 1986.

[NOTARIAL SEAL]

[Signature]

Notary Public

My Commission Expires: 11-79-86



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PARCEL I:

Description of a parcel of land situated in the Southeast Quarter of the Northwest Quarter of Section 31, Township 18 South, Range 1 West, Shelby County, Alabama, and being more particularly described as follows:

From the Southwest corner of said quarter-quarter section, run thence in a Northerly direction along the West line of said quarter-quarter section for a distance of 882.30 feet; thence turn an angle to the right of 91 degrees 17 minutes 06 seconds and run in an Easterly direction for a distance of 198.02 feet to the point of beginning of the parcel herein described; thence continue in an Easterly direction along the same course as before for a distance of 1001.66 feet; thence turn an angle to the right of 90 degrees and run in a Southerly direction for a distance of 307.97 feet to the beginning of a curve to the right, said curve to the right having a radius of 545.12 feet, and a central angle of 62 degrees 38 minutes 49 seconds and being concave to the Northwest; thence run along the arc of said curve in a Southerly to Southwesterly direction for a distance of 596.03 feet to the end of said curve; thence run in a Southwesterly direction tangent to said curve for a distance of 166.48 feet; thence turn an angle to the right of 26 degrees 18 minutes 34 seconds and run in a Westerly direction for a distance of 347.77 feet; thence turn an angle to the right of 63 degrees 41 minutes 26 seconds and run in a Northwesterly direction for a distance of 136.63 feet to the beginning of a curve to the right, said curve to the right having a radius of 1682.21 feet and a central angle of 17 degrees 35 minutes 45 seconds and being concave to the Northeast; thence run in a Northwesterly direction along the arc of said curve for a distance of 516.62 feet to end of said curve and the beginning of a second curve to the right, said second curve to the right having a radius of 537.13 feet and a central angle of 20 degrees and being concave to the East; thence run in a Northwesterly to Northerly direction along the arc of said curve for a distance of 187.49 feet to the end of said curve; thence run in a Northerly direction tangent to said curve for a distance of 80.52 feet to the point of beginning, being situated in Shelby County, Alabama.

CONTINUED ON NEXT SHEET:

Exhibit A, page 1 of 2

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PARCEL II:

Description of a parcel of land situated in the West Half of Section 31, Township 18 South, Range 1 West, Shelby County, Alabama; and being more particularly described as follows:

From the Northwest corner of the Northeast Quarter of the Southwest Quarter of said section run thence in an Easterly direction along the North line of said quarter-quarter section for a distance of 389.72 feet to the point of beginning of the parcel herein described; thence continue in an Easterly direction along the North line of said quarter-quarter section for a distance of 347.77 feet; thence turn an angle to the right of 153 degrees 41 minutes 26 seconds and run in a Southwesterly direction for a distance of 286.75 feet to the beginning of a curve to the right, said curve to the right having a radius of 25 feet, a central angle of 90 degrees and being concave Northward; thence run in a Westerly to Northwesterly direction along the arc of said curve for a distance of 39.27 feet to the end of said curve; thence run in a Northwesterly direction tangent to said curve for a distance of 129.14 feet to the point of beginning, being situated in Shelby County, Alabama.

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STATE OF ALA. SHELBY CO.  
I CERTIFY THIS  
INSTRUMENT WAS FILED

1986 JAN 23 PM 12:02

*Thomas A. Shoups*  
JUDGE OF PROBATE

RECORDING FEES  
Recording Fee \$ 22.50  
Index Fee 1.00  
TOTAL \$ 23.50

Exhibit A, page 2 of 2