

STATE OF ALABAMA)
SHELBY COUNTY)

ASSIGNMENT OF RENTS AND LEASES

This ASSIGNMENT OF RENTS AND LEASES (this "Assignment") is made and entered into this 20th day of May, 1986, by RONALD E. JONES and MARTHA F. JONES, husband and wife ("Assignors"), in favor of UNITED COMPANIES FINANCIAL CORPORATION, a Louisiana corporation ("Assignee").

Recitals

A. Assignors are or will be in the future justly indebted to Assignee in the principal amount of \$464,000.00 (the "Loan") as evidenced by a promissory note dated of even date herewith which bears interest as provided therein, is payable in accordance with its terms and has a final maturity date of June 1, 1993 (the "Note").

B. Simultaneously herewith as security for the Loan, Assignors have executed a mortgage to Assignee (the "Mortgage") covering real estate described on Exhibit A attached hereto and made a part hereof (the "Real Estate").

C. To induce Assignee to make the Loan and as additional security for the Loan, Assignors have agreed to execute this Assignment in favor of Assignee.

Agreement

NOW, THEREFORE, in consideration of the premises and in order to induce Assignee to extend credit to Assignors, and in order to secure the prompt payment of the following (hereinafter sometimes referred to collectively as the "Indebtedness"):

(1) Any and all sums, principal, interest and agreed charges, becoming due and payable by Assignors under or with respect to the Note; and

(2) Any and all sums now or hereafter becoming due and payable by Assignors to Assignee under the terms of this Assignment or the Mortgage, including but not limited to advancements made by Assignee pursuant to the terms and conditions of this Assignment or the Mortgage; and

(3) All renewals and extensions of any or all of the obligations of Assignors described in (1) and (2) above, whether or not any renewal or extension agreement is executed in connection therewith; and also to secure the full and complete performance of each and every obligation, covenant, duty and agreement of Assignors contained in this Assignment:

1. Granting Clauses. Assignors have bargained and sold and do hereby grant, bargain, sell, assign and convey to Assignee, its successors and assigns, the following property and interests in property:

(i) All leases and subleases, written or oral, and all agreements for use or occupancy of any portion

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of the Real Estate with respect to which Assignors are the lessor or sublessor, including but not limited to the existing leases, if any, described on Exhibit B attached hereto and made a part hereof (the "Existing Leases"), any and all extensions and renewals of said leases and agreements and any and all further leases or agreements, now existing or hereafter made, including subleases thereunder, upon or covering the use or occupancy of all or any part of the Real Estate, all such leases, subleases, agreements and tenancies heretofore mentioned (including but not limited to the Existing Leases) being hereinafter collectively referred to as the "Leases";

(ii) Any and all guaranties of the lessee's and any sublessee's performance under any of the Leases; and

(iii) The immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues and profits now due or which may become due or to which Assignors may now or shall hereafter (including during the period of redemption, if any) become entitled or may demand or claim, arising or issuing from or out of the Leases or from or out of the Real Estate, or any part thereof, including but not limited to minimum rents, additional rents, percentage rents, common area maintenance charges, parking charges, tax and insurance premium contributions, and liquidated damages following default, the premium payable by any lessee upon the exercise of any cancellation privilege provided for in any of the Leases, and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Real Estate or any improvements thereon, together with any and all rights and claims of any kind that Assignors may have against any such lessee under the Leases or against any subtenants or occupants of the Real Estate, all such moneys, rights and claims in this paragraph described being hereinafter referred to as the "Rents"; provided, however, so long as no Event of Default has occurred under this Assignment, Assignors shall have the right under a license granted hereby to collect, receive and retain the Rents, but no Rents shall be collected in advance of the due date thereof.

All of the property described in the foregoing Granting Clauses is herein sometimes collectively referred to as the "Assigned Property".

2. Representations and Warranties.

(i) Assignors have good title to the Rents and Leases hereby assigned and good right to assign the same, and no other person, corporation or entity has any right, title or interest therein.

(ii) Assignors have duly and punctually performed all and singular the terms, covenants, conditions and warranties of the Existing Leases on Assignors' part to be kept, observed and performed.

(iii) Assignors have not previously sold, assigned, transferred, mortgaged or pledged the Leases or the Rents, whether now due or hereafter to become due.

(iv) No Rents due for any period subsequent to the month next succeeding the date of this Assignment have been collected, and no payment of any of the Rents has otherwise been anticipated, waived, released, discounted, set-off or otherwise discharged or compromised.

(v) Assignors have not received any funds or deposits from any lessee in excess of one month's rent for which credit has not already been made on account of accrued rents.

(vi) To the best of Assignors' knowledge, the lessees under the Existing Leases are not in default under any of the terms thereof.

3. Covenants Relating to Rents and Leases.
Assignors covenant and agree that Assignors shall:

(i) observe, perform and discharge all obligations, covenants and warranties provided for under the terms of the Leases to be kept, observed and performed by Assignors, and shall give prompt notice to Assignee in the event Assignors fail to observe, perform and discharge the same;

(ii) enforce or secure in the name of Assignee the performance of each and every obligation, term, covenant, condition and agreement to be performed by any lessee under the terms of the Leases;

(iii) appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Leases or the obligations, duties or liabilities of Assignors and any lessee thereunder, and, upon request by Assignee to do so in the name and on behalf of Assignee but at the expense of Assignors, and to pay all costs and expenses of Assignee, including reasonable attorneys' fees, in any action or proceeding in which Assignee may appear;

(iv) not receive or collect any Rents from any present or future lessee of the Real Estate or any part thereof for a period of more than one month in advance, or pledge, transfer, mortgage or otherwise encumber or assign future payments of the Rents;

(v) not waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any lessee of the Real Estate of and from any obligations, covenants, conditions and agreements by said lessee to be kept, observed and performed, including the obligation to pay rent in the manner and at the place and time specified in any Lease;

(vi) not cancel, terminate or consent to any surrender of any Lease, or modify or in any way alter the terms thereof without, in each such instance, the prior written consent of Assignee; provided, however, that unless Assignee shall notify Assignors to the contrary, prior to the occurrence of an Event of Default hereunder, Assignors may take any actions regarding any Lease that Assignors shall deem reasonably necessary;

(vii) not renew or otherwise extend the term of any of the Existing Leases; provided, however, that nothing herein contained shall prevent Assignors, upon expiration of the now-current term (or other expiration or termination) of any of the Existing Leases, from leasing the property covered thereby to the lessee thereunder by a lease or leases expressly subject and fully subordinate to the lien of this Assignment; and

(viii) promptly upon request therefor by Assignee, (a) furnish Assignee with the name and address of the lessee under any future Lease, the term of such Lease, a description of the premises covered thereby and a copy of such Lease, and (b) execute all such further assignments of such Lease and the Rents therefrom as Assignee may require.

4. Defeasance. If Assignors shall: (A) pay in full (i) all of the Indebtedness (as defined herein), including but not limited to all sums (principal, interest and charges) payable under the Note and any and all extensions and renewals of the same; and (ii) all sums becoming due and payable by Assignors under the terms of this Assignment and the Mortgage, including but not limited to advancements made by Assignee pursuant to the terms and conditions of the Mortgage; and (B) have kept and performed each and every obligation, covenant, duty, condition and agreement herein imposed on or agreed to by Assignors; then this Assignment shall become null and void, and the Assigned Property shall revert to Assignors, and the entire estate, right, title and interest of Assignee will thereupon cease; and Assignee in such case shall, upon the request of Assignors and at Assignors' cost and expense, deliver to Assignors proper instruments acknowledging satisfaction of this instrument; otherwise, this Assignment shall remain in full force and effect.

5. Events of Default. The happening of any of the following events or conditions, or the happening of any other event of default as defined elsewhere in this Assignment (hereinafter collectively referred to as "Events of Default") shall constitute a default under this Assignment:

- (a) any representation or warranty made herein or in any loan agreement related to any of the Indebtedness or in any other document or instrument evidencing or securing any of the Indebtedness (any such loan agreement and any such other document or instrument evidencing or securing any of the Indebtedness being hereinafter collectively referred to as the "Loan Documents") shall prove to be false or misleading in any material respect; or
- (b) any report, certificate, financial statement or other instrument furnished in connection with any of the Indebtedness or any Loan Document shall prove to be false or misleading in any material respect; or
- (c) default shall be made in the prompt payment of the principal of and interest payable on the Note or any of the other Indebtedness, as and when due and payable; or
- (d) default shall be made in the due observance or performance of any other covenant, condition or agreement on the part of Assignors to be observed or performed pursuant to the terms of any Loan Document or any other event of default shall occur under this Assignment or any other Loan Document; or
- (e) Assignors or any maker, endorser, surety or guarantor of the Note (Assignors and any such

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maker, endorser, surety or guarantor being hereinafter individually called an "Obligor") shall (i) die or apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of any such Obligor or of any of such Obligor's properties or assets, (ii) admit in writing any such Obligor's inability to pay such Obligor's debts as they mature, (iii) make a general assignment for the benefit of creditors, (iv) have an order for relief entered against such Obligor in any proceeding under the federal Bankruptcy Code, or (v) file a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors, or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or file an answer admitting the material allegations of a petition filed against such Obligor in any proceeding under any such law or statute, or if corporate, partnership or other action shall be taken by any Obligor for the purpose of effecting any of the foregoing; or

- (f) a petition shall be filed, without the application, approval or consent of any Obligor in any court of competent jurisdiction, seeking reorganization, rearrangement, dissolution or liquidation of such Obligor or of all or a substantial part of the properties or assets of such Obligor, or seeking any other relief under any law or statute of the type referred to in clause (v) of paragraph (e) above against such Obligor, or the appointment of a receiver, trustee or liquidator or custodian of such Obligor, or of all or a substantial part of such Obligor's properties or assets, and such petition shall not be dismissed within 30 days after the filing thereof; or
- (g) the interest of Assignee in the Assigned Property shall become endangered by reason of the enforcement of any prior lien or encumbrance thereon.

6. Rights of Assignee Upon Default.

A. Acceleration of Indebtedness. Upon the occurrence of an Event of Default or at any time thereafter, Assignee may at its option and without demand or notice to Assignors, declare all or any part of the Indebtedness immediately due and payable, whereupon all such Indebtedness shall forthwith become due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Assignors, and Assignee may immediately enforce payment of all such amounts and may exercise any or all of its rights and remedies under this Assignment, the Note, any of the other Loan Documents and applicable law. Assignors also waive any and all rights Assignors may have to a hearing before any judicial authority prior to the exercise by Assignee of any of its rights under this Assignment, the Note, any of the other Loan Documents and applicable law.

B. Rights of Assignee with Respect to Rents and Leases. Upon the occurrence of an Event of Default, or at any time thereafter:

- (i) Assignee at its option, shall have the right, power and authority to exercise and enforce any or

all of the following rights and remedies with respect to Rents and Leases:

(a) to terminate the license granted to Assignors in granting clause (iii) of Section 1 hereof to collect the Rents, and, without taking possession, in Assignee's own name to demand, collect, receive, sue for, attach and levy the Rents, to give proper receipts, releases and acquittances therefor, and after deducting all necessary and reasonable costs and expenses of collection, including reasonable attorney's fees, to apply the net proceeds thereof to the Indebtedness in such order and amounts as Assignee may choose (or hold the same in a cash collateral reserve as security for the Indebtedness);

(b) without regard to the adequacy of the security, with or without any action or proceeding, through any person or by agent, or by a receiver to be appointed by court, to enter upon, take possession of, manage and operate the Assigned Property or any part thereof for the account of Assignors, make, modify, enforce, cancel or accept surrender of any Lease, remove and evict any lessee or sublessee, increase or reduce rents, decorate, clean and make repairs, and otherwise do any act or incur any cost or expenses Assignee shall deem proper to protect the security hereof, as fully and to the same extent as Assignors could do if in possession, and in such event to apply any funds so collected to the operation and management of the Assigned Property (including payment of reasonable management, brokerage and attorneys' fees) and payment of any Indebtedness in such order and amounts as Assignee may choose (or hold the same in a cash collateral reserve as security for the Indebtedness);

(c) to take whatever legal proceedings may appear necessary or desirable to enforce any obligation or covenant or agreement of Assignors under this Assignment.

(ii) the collection of the Rents and application thereof (or holding thereof in reserve) as aforesaid or the entry upon and taking possession of the Assigned Property or both shall not cure or waive any default or waive, modify or affect any notice of default under this Assignment, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by Assignee, once exercised, shall continue for so long as Assignee shall elect, notwithstanding that the collection and application as aforesaid of the Rents may have cured the original default. If Assignee shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.

C. Application of Proceeds. All payments received by Assignee as proceeds of the Assigned Property, or any part thereof, as well as any and all amounts realized by Assignee in connection with the enforcement of any right or remedy under or with respect to this Assignment, shall be applied by Assignee as follows: (i) to the payment of all necessary expenses incident to the execution of any remedies under this Assignment, including reasonable attorneys' fees as provided herein, (ii) to the payment in full of any of the Indebtedness that is then

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due and payable (including without limitation principal, accrued interest and all other sums secured hereby) and to the payment of attorneys' fees as provided herein and in the Note, (iii) to a cash collateral reserve fund to be held by Assignee in an amount equal to, and as security for, any of the Indebtedness that is not then due and payable, and (iv) the remainder, if any, shall be paid to Assignors or such other person or persons as may be entitled thereto by law, after deducting therefrom the cost of ascertaining their identity.

7. Waiver and Election. The exercise by Assignee of any option given under the terms of this Assignment shall not be considered as a waiver of the right to exercise any other option given herein. No failure or delay on the part of Assignee in exercising any right, power or remedy under this Assignment shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or thereunder. The remedies provided in this Assignment and in the other Loan Documents are cumulative and not exclusive of any remedies provided by law. No amendment, modification, termination or waiver of any provisions of this Assignment or any of the Loan Documents, nor consent to any departure by Assignors therefrom, shall be effective unless the same shall be in writing and signed by an executive officer of Assignee, 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 Assignors in any case shall entitle Assignors to any other or further notice or demand in similar or other circumstances.

8. Enforceability. If any provision of this Assignment is now or at any time hereafter becomes invalid or unenforceable, the other provisions hereof shall remain in full force and effect, and the remaining provisions hereof shall be construed in favor of Assignee to effectuate the provisions hereof.

9. Application of Payments. If the lien, assignment or security interest created by this Assignment is invalid or unenforceable as to any part of the Indebtedness or is invalid or unenforceable as to any part of the Assigned Property, the unsecured or partially secured portion of the Indebtedness shall be completely paid prior to the payment of the remaining secured or partially secured portion of the Indebtedness, and all payments made on the Indebtedness, whether voluntary or under enforcement actions or procedures, shall be considered to have been first paid on and applied to the full payment of that portion of the Indebtedness that is not secured or not fully secured by said lien, assignment or security interest created hereby.

10. Meaning of Particular Terms. Whenever used, the singular number shall include the plural and the plural the singular, and pronouns of one gender shall include all genders; and the words "Assignors" and "Assignee" shall include their respective heirs, personal representatives, successors and assigns. The term "Assignors" as used in this Assignment refers to each of the undersigned, jointly and severally, whether one or more natural persons, partnerships, corporations, associations, trusts or other entities or organizations.

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11. Release or Extension by Assignee. Assignee, without notice to Assignors and without in any way affecting the rights of Assignee hereunder as to any part of the Assigned Property not expressly released, may release any part of the Assigned Property or any person liable for any of the Indebtedness and may agree with any party with an interest in the Assigned Property to extend the time for payment of all or any part of the Indebtedness or to waive the prompt and full performance of any term, condition or covenant of the Note, any of the Loan Documents, this Assignment or any other instrument evidencing or securing any of the Indebtedness.

12. Partial Payments. Acceptance by Assignee of any payment of less than the full amount due on the Indebtedness shall be deemed acceptance on account only, and the failure of Assignors to pay the entire amount then due shall be and continue to constitute an Event of Default, and at any time thereafter and until the entire amount due on the Indebtedness has been paid, Assignee shall be entitled to exercise all rights conferred on it by the terms of this Assignment in case of the occurrence of an Event of Default.

13. Addresses for Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing or by telex, telegram or cable and mailed or sent or delivered to the applicable party at its address indicated on the signature page of this Assignment or at such other address as shall be designated by such party in a written notice to the other parties thereto.

14. No Obligations With Respect to Leases. Assignee shall not by virtue of this Assignment or otherwise assume any duties, responsibilities, liabilities or obligations with respect to Leases or the Real Estate (unless expressly assumed by Assignee under a separate agreement in writing), and this Assignment shall not be deemed to confer on Assignee any duties or obligations that would make Assignee directly or derivatively liable for any person's negligent, reckless or willful conduct. Assignors agree to defend, indemnify and save harmless Assignee from and against any and all claims, causes of action and judgments relating to Assignors' performance of Assignors' duties, responsibilities and obligations under Leases and with respect to the Real Estate.

15. Expenses. Assignors shall pay all costs and expenses incurred by Assignee in connection with preparing and recording this Assignment and enforcing Assignee's rights hereunder, including reasonable attorneys' fees.

16. Titles. All section, paragraph, subparagraph or other titles contained in this Assignment are for reference purposes only, and this Assignment shall be construed without reference to said titles.

IN WITNESS WHEREOF, Assignors have hereunto set their hands and seals on the day and year first above written.

 (SEAL)
Ronald E. Jones

 (SEAL)
Martha F. Jones

1848 Paulette Drive
Birmingham, Alabama 35226

UNITED COMPANIES FINANCIAL
CORPORATION
Southcrest Building
Suite 201
1025 Montgomery Highway
Birmingham, Alabama 35216

This instrument prepared by:

Kathleen A. Collier
Maynard, Cooper, Frierson & Gale, P.C.
Twelfth Floor Watts Building
Birmingham, Alabama 35203
(205) 252-2889

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STATE OF ALABAMA)
COUNTY OF SHELBY)

I, ALICE M. LAMONT, a Notary Public in and for said County in said State, hereby certify that Ronald E. Jones and Martha F. Jones, whose names are signed to the foregoing instrument and who are known to me, acknowledged before me on this day that, being informed of the contents of said instrument, they executed the same voluntarily on the date of this acknowledgment.

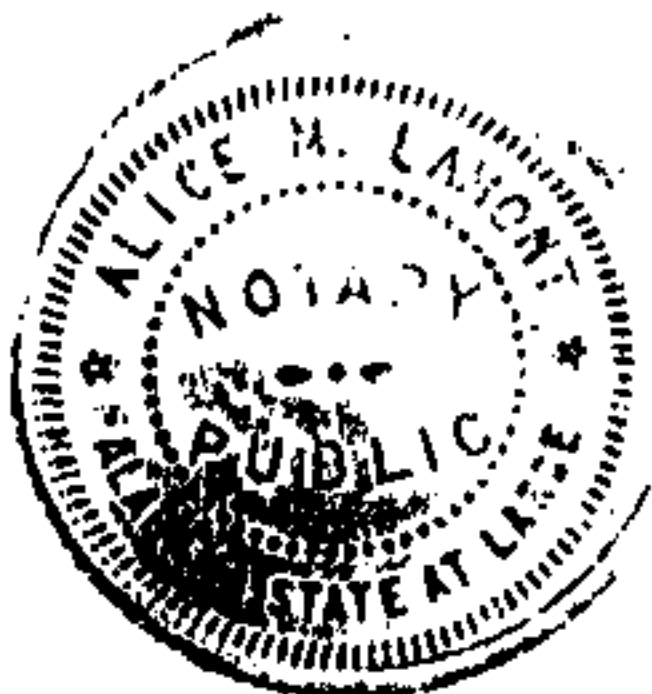
Given under my hand and official seal this 19th day of May, 1986.

Alice M. Lamont
Notary Public

My Commission expires:

MY COMMISSION EXPIRES FEBRUARY 6, 1990

[AFFIX SEAL]



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EXHIBIT A

A parcel of land containing 1.39 acres, more or less, located in the SW 1/4 of the NW 1/4 of Section 13, Township 20 South, Range 3 West, Shelby County, Alabama, described as follows: Begin at the NE corner of Lot 1 of Lunceford's Industrial Park as recorded in Map Book 5, Page 133 in the Office of the Judge of Probate, Shelby County, Alabama; thence run Southeasterly along the Easterly line of said Subdivision a distance of 169.18 feet; thence turn left 00° 10' 04" along said Easterly line a distance of 23.61 feet; thence turn left 75° 36' 18" a distance of 333.50 feet to the Westerly right-of-way of U.S. Highway #31; thence turn left 90° 52' 27" along said right-of-way a distance of 119.20 feet; thence turn left 72° 59' 11" a distance of 336.00 feet; thence turn left 40° 40' 00" a distance of 61.97 feet to the point of beginning.

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EXHIBIT B

<u>Suite</u>	<u>Tenant</u>	<u>Space</u>	<u>Initial Term</u>
A	Joe McCreless d/b/a Country Heritage	1,600 sq.ft.	3 yrs.
B	Jack & Rebecca Harris	2,983.5 sq.ft.	1 yr.
C	Perry Hand	1,762.5 sq.ft.	2 yrs.
D	Jack & Rebecca Harris	1,762.5 sq.ft.	1 yr.
E	Jack & Rebecca Harris	3,430 sq.ft.	3 yrs. *

* This lease commences July 1, 1986, if another lease to a different tenant has not been accepted by United Companies and Mr. & Mrs. Jones.

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

1986 MAY 20 PM 12: 21

Thomas A. Shandley, Jr.
JUDGE OF PROBATE

RECORDING FEES

Recording Fee	\$ 30.00
Index Fee	1.00
TOTAL	\$ 31.00