

**THIS COLLATERAL ASSIGNMENT OF CONTRACT IS RECORDED AS ADDITIONAL
COLLATERAL FOR A MORTGAGE RECORDED SIMULTANEOUSLY HEREWITH.**

THIS INSTRUMENT WAS PREPARED BY:

Virginia S. Boliek
Balch & Bingham
P. O. Box 306
Birmingham, Alabama 35201
(205) 226-3414

1993-15711
06/01/1993-15711
03:34:05 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 MCD 17.50

COLLATERAL ASSIGNMENT OF CONTRACT

THIS COLLATERAL ASSIGNMENT, made this 28 day of MAY, 1993, by **HIGHLAND LAKES DEVELOPMENT, LTD.**, an Alabama limited partnership (hereinafter referred to as "Borrower", whether one or more), to **CENTRAL BANK OF THE SOUTH**, an Alabama banking corporation (hereinafter referred to as "Lender").

WITNESSETH:

WHEREAS, contemporaneously herewith Lender has made to Borrower a loan in the principal amount of \$3,750,000.00 (the "Loan") evidenced by a promissory note dated of even date herewith (the "Note") and secured by, among other things, a certain Future Advance Mortgage, Assignment of Rents and Leases and Security Agreement (together with the Note, the Loan Agreement (as defined herein), and all other documents and instruments evidencing, securing, or relating to the Loan, the "Loan Documents"); and

WHEREAS, as a condition to making the Loan, Lender has required, as additional security for the repayment of the Loan and all other Liabilities of the Borrower to the Lender (as defined in that certain Construction Loan Agreement by and between Borrower and Lender of even date herewith (the "Loan Agreement")), that Borrower transfer and assign to Lender all of Borrower's right, title and interest under the following contracts or agreements to which Borrower is a party: Subordination and Property Management Agreement by and between Borrower and Highland Scenic Overlook, Inc. dated as of May 28, 1993, recorded in the office of the Judge of Probate of Shelby County, Alabama as Instrument No. 1993-____ (the "Contracts," whether one or more); and

WHEREAS, Borrower desires to make such transfer and assignment to Lender;

NOW, THEREFORE, for and in consideration of the sum of One and No/100 Dollars (\$1.00), the making of the Loan to Borrower by Lender and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender do hereby covenant and agree as follows:

1. **Grant of Security Interest.** Borrower does hereby transfer, assign, pledge, convey and grant to Lender as additional security for the payment of the Loan and all other Liabilities of Borrower to Lender, all of Borrower's right, title and interest in, to and under the Contracts, together with all proceeds thereof (the Contracts and said proceeds are hereinafter referred to collectively as the "Collateral").

2. **Warranties and Covenants.** Borrower does hereby warrant, represent, covenant and agree with Lender that, as of the date hereof, Borrower has not entered into any other contracts or agreements, with the other parties to the Contracts relating to or affecting said Contracts or the subject matter thereof; that Borrower has not previously assigned, transferred, sold or conveyed its interest under the Contracts, or any of them; and that Borrower shall not enter into, modify, amend, cancel, release, surrender or terminate the Contracts, or any of them, without the prior written consent of Lender.

3. **Further Assurances.** At any time and from time to time upon request by Lender, Borrower will make, execute and deliver to Lender any and all such other and further assignments, security agreements, financing statements, continuation statements, instruments of further assurance and other documents as may, in the opinion of Lender, be necessary or desirable in order to effectuate, complete or perfect, or to continue to preserve the security interest of Lender created or intended to be created hereby in any and all Contracts. It is the intent of this Collateral Assignment that the security interest created hereby will automatically attach, without further act, to all Collateral coming into existence or obtained by Borrower after the date hereof.

4. **Present Assignment.** Although this Collateral Assignment is and shall be effective upon the execution and delivery hereof and constitutes a present and current assignment of the Collateral, Lender shall not take any actions whatsoever with respect to the Collateral unless and until an Event of Default shall have occurred hereunder, and until such time as an Event of Default shall have occurred hereunder, Borrower shall be entitled to enjoy and exercise any and all rights and privileges afforded Borrower under the Contracts.

5. **Events of Default.** The occurrence of any one or more of the following events shall constitute an Event of Default hereunder:

(a) Any default or Event of Default shall have occurred under any one or more of the Loan Documents or any other documents now or hereafter evidencing, securing, guaranteeing, or otherwise relating to the Loan or any other indebtedness, liability, or obligation of Borrower;

(b) Any warranty, representation or statement by Borrower in this Collateral Assignment proves to be or have been untrue or misleading in any material respect; or

(c) Borrower fails to keep, observe, perform, carry out and execute in every particular the covenants, agreements and obligations of Borrower contained in this Collateral Assignment and in the Loan Documents.

6. **Rights Upon Default.** Upon the occurrence of an Event of Default, Lender shall have the right immediately to exercise any and all of its rights and remedies as a secured party under this Collateral Assignment in accordance with the Uniform Commercial Code and any and all of its rights and remedies under applicable law and under the Loan Documents, under any and all other instruments now or hereafter evidencing, securing, or otherwise relating to the Loan, and any or all of Borrower's rights under the Collateral.

7. **No Limitation of Remedies.** No remedy conferred upon or reserved to Lender

herein or in the Loan Documents is intended to be exclusive of any other remedy conferred upon or reserved to Lender under such documents and instruments or under applicable law. Each such remedy shall be cumulative and concurrent and shall be in addition to each and every other remedy now or hereafter existing under such instruments or documents or at law or in equity. No delay or omission by Lender to exercise any right, power or remedy accruing upon any Event of Default shall impair in any manner any such right, power or remedy, or shall be construed to be a waiver of any such default or acquiescence therein, and each and every right, power and remedy of Lender may be exercised from time to time and as often as may be deemed expedient by Lender.

8. No Obligation of Lender. It is specifically understood and agreed that this Collateral Assignment shall not operate to place any responsibility, liability, or obligation whatsoever upon Lender, and that in accepting the foregoing assignment of the Collateral, Lender neither assumes nor agrees to perform at any time whatsoever any obligation of Borrower under the Contracts, all of which obligations and duties shall be and remain with and upon Borrower, unless and until Lender shall have assumed in writing certain obligations or duties under the Contracts, and then only to the extent of such written assumption. Borrower agrees to, and does hereby, indemnify and hold harmless Lender from and against any and all liabilities, obligations, claims, damages, penalties, actions, causes of action, costs and expenses (including, without limitation, attorneys' fees and expenses) imposed upon or incurred by Lender by reason of the acceptance hereof, and any claim or demand whatsoever which may be asserted against Lender by reason of any alleged obligation or undertaking to be performed or discharged by Lender under or by reason hereof. In the event that Lender incurs any such liability, obligation, claim, damage, penalty, cost or expense under or by reason hereof, or in the defense of any claims or demands arising out of or in connection herewith, the amount of such liability, obligation, claim, damage, penalty, cost or expenses shall be added to the Loan, shall bear interest at the rate provided in the Note from the day incurred until paid and shall be due and payable immediately upon demand by Lender.

9. Termination. This Collateral Assignment shall automatically terminate, and be of no further force or effect whatsoever at such time as the Loan and all other Liabilities of Borrower to Lender are paid in full. Upon such termination, Lender shall execute and deliver to Borrower such documents as may be reasonably requested by Borrower to evidence such termination and the reassignment to Borrower of all right, title and interest of Borrower in and to the Collateral.

10. Notices. All notices and elections permitted or required to be made hereunder shall be in writing, signed by the party giving the same, and shall be delivered personally or sent by certified mail, return receipt requested, to the other parties. The date of personal delivery or the date of mailing, as the case may be, shall be the date of such notice or election. For the purposes hereof, all such notices and elections shall be addressed as follows:

As to Lender:

Central Bank of the South
P. O. Box 10566
Birmingham, Alabama 35296
Attention: Residential Real Estate Department

As to Borrower:

Highland Lakes Development, Ltd.
Suite 325, Mountain Brook Center
2700 Highway 280 East
Birmingham, Alabama 35223
Attention: Billy D. Eddleman

11. **Successors and Assigns.** This Collateral Assignment shall be binding upon the respective heirs, estates, administrators, executors, successors, successors-in-title, legal representatives and assigns of the Borrower and shall inure to the benefit of Lender and its successors and assigns.

12. **Captions.** Titles or captions of articles or sections contained in this Collateral Assignment are provided for convenience of reference only and in no way define, limit, extend, or describe the scope of this Collateral Assignment or the intent of any provision hereof.

13. **Severability.** In the event that any provision of this Collateral Assignment is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals as of the day and year first above written.

BORROWER:

HIGHLAND LAKES DEVELOPMENT, LTD.,
an Alabama limited partnership

BY: EDDLEMAN PROPERTIES, INC.,
an Alabama corporation, its General Partner

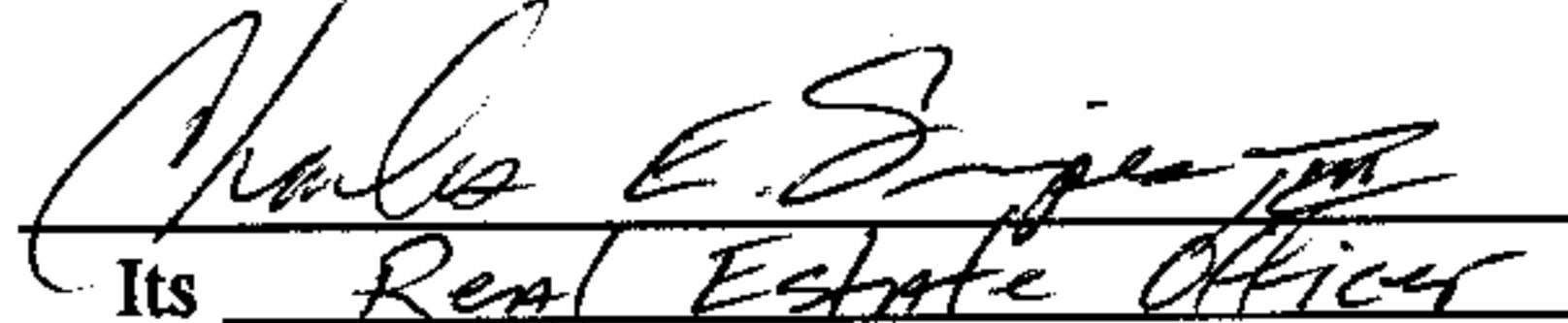

Witness

By: 
Its President

LENDER:

CENTRAL BANK OF THE SOUTH


Witness

By: 
Its Real Estate Officer

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, ELIZABETH D. Beck, the undersigned, a Notary Public in and for said County in said State, hereby certify that DOUGLAS D. EDDLEMAN, whose name as PRESIDENT of **EDDLEMAN PROPERTIES, INC.**, an Alabama corporation, in its capacity as general partner of **HIGHLAND LAKES DEVELOPMENT, LTD.**, an Alabama limited partnership, 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 said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation, in its capacity as general partner of said limited partnership.

Given under my hand and official seal of office this 28 day of May, 1993.

Elizabeth D. Beck
Notary Public
My Commission Expires: 10-3-94

[NOTARIAL SEAL]

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

I, ELIZABETH D. Beck, the undersigned, a Notary Public, in and for said County in said State, hereby certify that CHARLES E. SNIPES III, whose name as REAL ESTATE OFFICER of **CENTRAL BANK OF THE SOUTH**, a banking corporation under the laws of the State of Alabama, 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 foregoing instrument, he, as such officer and with full authority executed the same voluntarily for and as the act of said banking corporation.

Given under my hand and official seal on this the 28 day of May, 1993.

Elizabeth D. Beck
Notary Public
My Commission Expires: 10-3-94

[NOTARIAL SEAL]

1993-15711
06/01/1993-15711
03:34:05 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
005 MCD 17.50