

ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT is made and entered into on this 24th day of February, 1995, by and between ROGER RICKS, hereinafter referred to as Guarantor and City Bank of Childersburg, an Alabama banking corporation, hereinafter referred to as Lender.

ASSIGNMENT. Guarantor, in consideration of Lender's making a Mortgage Loan to South Central Steel, Inc., which Roger Ricks has guaranteed, dated the 24th day of February, 1995, in the sum of \$565,000.00, hereinafter referred to as the Loan, as aforesaid and for other good and valuable consideration, and to secure the prompt payment of same, with the interest thereon, and any extensions, renewals, modifications and refinancings of same, and any charges herein incurred by Lender on account of Guarantor, or South Central Steel, Inc., including but not limited to attorneys' fees, and any and all Other Indebtedness, and further to secure the performance of the covenants, conditions and agreement hereinafter set forth and set forth in the Note which evidences the Loan, hereinafter the Note, in the Loan Documents, and in the Other Indebtedness instruments, does hereby sell, assign and transfer unto the Lender all leases and subleases of all or part of the Mortgaged Property, including without limitation those certain leases, if any, specifically described on an exhibit to this Agreement, and all the rents, issues and profits now due and which may hereafter become due under or by virtue of any such lease, whether written or verbal, or any letting of, or of any agreement for the use or occupancy of the Mortgaged Property or any part thereof, which may have been heretofore or may be hereafter made or agreed to or which may be made or agreed to by the Lender under the powers herein granted, it being the intention of the parties to hereby establish an absolute transfer and assignment of all the said leases, subleases and agreements, and all the avails thereof, to the Lender, and the Guarantor does hereby appoint irrevocably the Lender its true and lawful attorney in Guarantor's name and stead (with or without taking possession of the aforesaid Mortgaged Property as hereinafter provided), to rent, lease or let all or any portion of the Mortgaged Property to any party or parties at such rental and upon such term, in its discretion as it may determine, and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter, and all now due, or that may hereafter become due under each and all of the leases, subleases and agreements, written or verbal, or other tenancy existing or which may hereafter exist on the Mortgaged Property, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as the Lender would have upon taking possess of the Mortgaged Property pursuant to the provisions hereinafter set forth.

PREPAYMENT OF RENT. The Guarantor represents and agrees that no rent has been or will be paid by any person in possession of any portion of the Mortgaged Property for more than one installment in advance and that the payment of none of the rents to accrue for any portion of said Mortgaged Property have been or will be waived, released, reduced, or discounted, or otherwise discharged or compromised by the Guarantor. The Guarantor waives any right of set off against any person in possession of any portion of the Mortgaged Property. The Guarantor agrees that he will not assign any of the rents or profits except to the purchaser or grantee of the Mortgaged Property.

NOT MORTGAGEE IN POSSESSION; NO LIABILITY. Nothing herein contained shall be construed as constituting the Lender as "mortgagee in possession" in the absence of the taking of actual possession of the Mortgaged Property by the Lender pursuant to

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the provisions hereinafter contained. In the exercise of the powers herein granted the Lender, no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by the Guarantor.

PRESENT ASSIGNMENT. Although it is the intention of the parties that this assignment of rents and leases shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that the Lender shall not exercise any of the rights and powers conferred upon it in this Agreement until and unless an Event of Default shall occur under the Note or Mortgage which secures the Note.

NO OBLIGATION OF LENDER UNDER LEASES. The Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, subleases or rental agreements relating to the Mortgaged Property, and the Guarantor shall and does hereby agree to indemnify and hold the Lender harmless of and from any and all liability, loss or damage which it may or might incur under any leases, subleases or agreements or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases, subleases or agreements. Should the lender incur any such liability, loss or damage, under said lease or under or by reason of the assignment thereof, or in the defense of any claims or demands asserted against the Lender in connection with any one or more of said leases, subleases or agreements, the Guarantor agrees to reimburse the Lender for the amount thereof, including costs, expenses and reasonable attorneys' fees immediately upon demand, and until the same are fully reimbursed by the Guarantor, all such costs, expenses and attorneys' fees shall be secured by the assignment hereunder and by the Mortgage which secures the Note.

INSTRUCTION TO LESSEES. The Guarantor does further specifically authorize and instruct each and every present and future lessee, tenant, sublessee or subtenant of the whole or any part of the Mortgaged Property to pay all unpaid rental agreed upon in any lease, sublease of tenancy to the Lender upon receipt of demand from said Lender to pay the same.

COLLATERAL SECURITY. The Guarantor acknowledges that this agreement and assignment is given as collateral security only and shall not be construed as obligating the Lender to perform any of the covenants or undertaking required to be performed by the Guarantor contained in any such assigned leases. In the event of surrender or the taking of possession of the property by the Lender upon the Guarantor's default, the Lender may thereafter collect the rents and income therefrom, rent or lease the property or any portion thereof upon such terms as the Lender may deem in its sole discretion, advisable and apply all proceeds derived therefrom to (a) preservation of the property; (b) payment of taxes; (c) payment of insurance proceeds; (d) payment of interest or principal due on the indebtedness; (e) all fees and expenses including, but not limited to, attorney's fees.

COVENANT WITH THE LAND. This agreement and assignment of rents shall run with the land and be good and valid as against the Guarantor or those claiming by, under or through the Guarantor, from the date of this agreement. This agreement and assignment shall continue to be operative during the period of any foreclosure or other action to enforce the mortgage on this property, during any receivership created hereunder, and during the period of redemption, including the period of deficiency in

IN WITNESS WHEREOF, the said Guarantor, has hereunto set his hand and seal, and the said City Bank of Childersburg, an Alabama banking corporation, by its President, who is authorized to execute this agreement, has hereunto set its signature and seal, on the day and year first above written.

GUARANTOR:

Roger Ricks
ROGER RICKS

WITNESS: *Sept. Knight*

WITNESS: *Ray F. Robbins, II*

CITY BANK OF CHILDERSBURG,
AN ALABAMA BANKING CORPORATION

BY: *Jimmy C. Taylor*
JIMMY C. TAYLOR
ITS PRESIDENT

ATTEST:

Jimmy C. Taylor
SECRETARY

Subscribed and sworn to before me on this the 24 day of
February, 1995.

Ray F. Robbins, II
NOTARY PUBLIC

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