

ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 13th day of September, 1996, by and between **ROBERT W. LOVELESS AND ELSIE O. LOVELESS, INDIVIDUALLY** (hereinafter referred to as "Assignor") and **BANK OF ALABAMA** (hereinafter referred to as "Assignee").

FOR VALUE RECEIVED and as additional security for the payment indebtedness owed by Assignor to Assignee pursuant to the commercial term Loan evidenced by a note and mortgage executed simultaneously herewith, and as additional security for the performance of all of the terms, conditions and obligations on the part of the Assignor contained in that certain Mortgage (the "Mortgage") covering the property described herein, Assignor hereby transfers the rents, issues, profits, revenues, royalties, rights and benefits from the following described property, lying and being situated in ^{Shelby} ~~Jefferson~~ County, Alabama, to wit:

SEE EXHIBIT "A" ATTACHED HERETO AND INCORPORATED HEREIN BY REFERENCE

The Assignor hereby assigns and sets over unto the Assignee any and all leases now or hereafter existing covering said premises or any part thereof upto an amount of the outstanding principal of the Note executed simultaneously herewith.

It is specifically agreed and understood that the terms "rents", "issues", "profits", "revenues", "royalties", "rights", and "benefits" hereinabove used specifically include all after-acquired leases of said premises hereinabove described and all other benefits acquired before or after the execution of this Assignment.

It is understood and agreed that Assignor may continue to collect said rents as they become due and that the Assignee will not make demand therefor nor collect the same unless and until there has been a default in any payment evidenced by the Note executed by Assignor to Assignee or default in any of the covenants and agreements contained in the Mortgage or covenants and agreements contained herein or in any of the loan documents.

The Assignor hereby warrants and represents that Assignor is the owner of said leases and that said leases are free from any other pledge, assignment or lien and that the rent due thereunder is current and that no rents due in the future have been prepaid or anticipated and that Assignor will not permit the tenants under said leases to pay more than one month's rent in advance unless approved by Assignee, nor permit the payment of rent in any medium other than lawful money of the United States of America, nor anticipate, discount, compromise, forgive, encumber, pledge, or assign the rents or any part thereof or

10/14/1996-34199
10:52 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
004 MCD 16.00

Inst # 1996-34199

any lease or any interest therein and will not amend, alter, modify, terminate or accept a surrender of any lease of said premises without the written consent of the Assignee, its successors and assigns.

Assignor hereby authorizes the Assignee to give notice in writing of this Assignment and of any default specified above at any time to any tenant under any or all said leases, and does hereby direct any and all tenants under the aforesaid leases upon notice of default, to pay such rents as are then or shall thereafter become due, to Assignee, its successors or assigns. Assignor hereby authorizes and empowers Assignee to collect and give valid receipt for all rents as they shall become due.

Assignor hereby authorizes and empowers Assignee upon any default by Assignor to collect the rents, issues, profits, revenues, royalties, rights and benefits after the same shall become due, upon demand for payment therefor by the Assignee, its successors and assigns.

Violation of any of the covenants, representations and provisions contained hereby the Assignor shall be deemed a default under the terms of said Note and Mortgage.

The term of this Assignment shall terminate and this Assignment shall be and become null and void upon payment in full to the Assignee of all indebtedness owed by Assignor to Assignee pursuant to said Note.

Nothing herein contained shall be construed as making the Assignee, its successors and assigns, a mortgagee in possession or imposing the duties of the lessor unless, after default in the Mortgage or Note executed by Assignor to Assignee, for which this is security, the Assignee, at its option, should elect to assume the duties and privileges of the lessor, nor shall the Assignee be liable for laches or failure to collect said rents, issues, profits, revenues, royalties, rights and benefits and it is understood and agreed that the Assignee is to account only for such actually collected by it.

The acceptance of this agreement by Assignee shall not be construed as a waiver by it of any of its rights under the terms of the Note and the Mortgage, or of its right to enforce payment of the indebtedness of aforementioned in strict accordance with the terms and provisions of the Note and the Mortgage.

This assignment is subject to the terms and conditions set forth in the U.S. Small Business Administration Authorization and Loan Agreement of August 30, 1996 and in the Real Estate Loan and Security Agreement executed simultaneously herewith.

All covenants and agreements herein contained on the part of either party shall apply to and bind their respective heirs, executors, administrators, personal representatives, successors and assigns.

IN WITNESS WHEREOF, the said Assignor has hereunto set his hand and seal this 13 day of September, 1996.


ROBERT W. LOVELESS, INDIVIDUALLY


ELSIE O. LOVELESS, INDIVIDUALLY

STATE OF ALABAMA)
COUNTY OF ALABAMA)

I, the undersigned, a Notary Public, in and for said County, in said State, hereby certify that Robert W. Loveless and Elsie O. Loveless, whose names are signed to the foregoing conveyance and who are known to me, acknowledged before me on this day that being informed of the contents of such conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 13th day of September, 1996.

Sharon Kennedy
Notary Public **My Commission Expires 7-19-97**
My commission expires: _____

This instrument was prepared by:
PRUETT, BROWN, TURNER & HORSLEY L.L.C.
2340 Woodcrest Place, Suite 105
Birmingham, Alabama 35209
205-871-1714

EXHIBIT A

A PART OF THE NW 1/4 OF SE 1/4 OF SECTION 25 TOWNSHIP 19 SOUTH RANGE 1 WEST, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCE AT THE SW CORNER OF THE ABOVE STATED 1/4-1/4 SECTION; THENCE NORTH 1154.14 FEET; THENCE RIGHT 92 DEGREES 57 MINUTES 45 SECONDS, 200.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUE ALONG SAME COURSE 170.07 FEET; THENCE RIGHT 87 DEGREES 02 MINUTES 15 SECONDS, 1136.02 FEET; THENCE RIGHT 90 DEGREES 10 MINUTES 49 SECONDS, 170.07 FEET; THENCE RIGHT 89 DEGREES 49 MINUTES 53 SECONDS 1144.35 FEET TO THE POINT OF BEGINNING. ACCORDING TO THE SURVEY OF BEN F. CARR, JR., REG. NO. 8434, DATED JUNE 1988.

Inst # 1996-34199

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