

STATE OF ALABAMA
CLARKE COUNTY

ASSIGNMENT OF LESSORS' INTEREST IN LEASE

Inst # 1999-33135

08/06/1999-33135
04:14 PM CERTIFIED
SCLP CLARK JUDGE OF PROBATE
21.00

THIS ASSIGNMENT OF LEASE, made and entered into as of this 4TH day of August, 1999, by and between Robert S. Bowling, III and Richard S. Milstead, party of the first part, hereinafter referred to as "Borrower" and First United Security Bank, party of the second part, hereinafter referred to as "Lender".

WITNESSETH

WHEREAS, by instrument dated May 14, 1999, (the M.G.A., Inc. Lease"), Properties, LLC leased to the M.G.A., Inc. of Dothan, Alabama, a Delaware corporation, the building and premises located at Calera Plaza, Highway 25, City of Calera, County of Shelby, State of Alabama, 35041, particularly described therein. On August 4, 1999, Properties, LLC assigned this lease to Robert S. Bowling, III and Richard S. Milstead as evidenced by the Assignment of Lease of same date.

WHEREAS, Borrower has acquired the Leased Premises; and

WHEREAS, Lender has heretofore made a loan to Borrower in the amount of \$ 642,725.75 on August 4, 1999 (the "Loan"), the Borrower having executed a promissory note, mortgage and other documents regarding such loan (such documents being herein referred to as the "Loan Instruments") and one of the conditions of the loan requires Borrower to assign to Lender the interest of Borrower in the M.G.A., Inc. Lease and as part of the security for the Loan:

NOW THEREFORE, for and in consideration of Lender making the Loan, Borrower hereby grants, transfers and assigns to Lender and its successors and assigns all right, title and interest of the Borrower in the Leased Premises and in the M.G.A., Inc. lease, together with any extensions, modifications or renewals thereof, the same being referred to herein collectively as the "Lease" for the purpose of securing (a) payment of the Loan and any renewals and extensions thereof, and (b) performance and discharge of each obligation, covenant and agreement of the Borrower contained herein or in the promissory note evidencing the loan. This assignment is intended to be an absolute, present assignment from the Borrower to Lender. The rents, issues and profits of the Lease and the Leased Premises are hereby assigned absolutely by the Borrower to Lender, contingent only upon the occurrence of an Event of Default hereunder as defined hereinbelow.

ARTICLE I
WARRANTIES AND COVENANTS

1.01 Warranties of Borrower. Borrower hereby warrants and represents to Lender that:

(a) The Borrower is the sole owner of the landlord's interest under the lease, is entitled to receive the rents, issues, profits and security deposits under the Lease and from the Property, and has good right to sell, assign, transfer and set over the same and to grant to and confer upon Lender the rights, interests, powers and authorities herein granted and conferred.

(b) The Borrower has neither made nor permitted to be made any assignment other than this Assignment of any of its rights under the Leases to any person or entity.

(c) The Borrower has not done any act or omitted to do any act which might prevent Lender from, or limit Lender in, acting under any of the provisions of this Assignment.

(d) There is no default by any of the lessees under the terms of any of the Leases except for customary and insubstantial rental delinquencies and other possible minor violations of the Leases which the Borrower will, in the ordinary course of business, cause to be cured or pursued in accordance with the terms of the Leases.

(e) The Borrower is not prohibited under any agreement with any other person or entity or under any judgment or decree from the execution and delivery of this Assignment or of the Leases, from the performance of each and every covenant of the Borrower hereunder and under the Leases, or from the meeting of each and every condition contained herein or in the Leases.

(f) No action has been brought or threatened which in any way would interfere with the rights of the Borrower to execute this Assignment and perform all of the Borrower's obligations herein contained.

(g) The leases are in full force and effect.

1.02 Covenants of Borrower. Borrower hereby covenants and agrees with Lender as follows:

(a) Borrower shall (i) fulfill, perform and observe each and every condition and covenant of the Borrower contained in the Leases; (ii) at the sole cost and expense of the Borrower, diligently seek to enforce, short of termination of any Lease, the performance and observance of each and every covenant and condition of the Leases to be performed or observed by the lessees thereunder; and (iii) appear in and defend any action growing out of, or in any manner connected with, any of the Leases or the obligations or liabilities of the Borrower, as lessors thereunder, or of any of the lessees or guarantors thereunder.

(b) Borrower shall not without the prior written consent of Lender: (i) modify the Leases approved by Lender; (ii) terminate the term or accept the surrender of any of the Leases; (iii) waive, or release the lessees from the performance or observance by the lessees of any obligation or condition of the Leases; (iv) permit the prepayment of any rents under any of the Leases for more than each current month in advance; (v) give any consent to any assignment by any of the lessees of any of the Leases or any sublease of any part or portion of the Property; or (vi) enter into any Leases for all or any part of the Property.

(c) Borrower shall authorize and direct, and does hereby authorize and direct each and every present and future tenant under the Leases to pay rental directly to Lender upon receipt of written demand from Lender to so pay the same.

(d) Lender shall not be obligated to perform or discharge any obligation of the Borrower under any of the Leases, and the Borrower agrees to indemnify and hold Lender harmless from and against any and all liability, loss, or damage which Lender may incur under any of the Leases or under or by reason of this Assignment and from and against all claims and demands whatsoever which may be asserted against it by reason of an act of Lender under this Assignment or under any of the Leases, unless such liability results from the willful, wanton, or negligent misconduct of the Lender.

1.03 Covenants of Lender. Lender, by acceptance hereof, covenants and agrees with the Borrower that:

(a) although this Assignment constitutes a present and current assignment of all rents, issues and profits of the Property, so long as there shall exist no Event of Default as hereinafter defined, on the part of the Borrower, the Borrower shall have the right (i) to collect, but not prior to accrual, all such rents, issues and profits from the Property and to retain, use and enjoy the same, and (ii) to maintain the security deposits in a separate, identifiable account in a bank acceptable to Lender.

(b) Upon the payment in full of all indebtedness secured hereby, as evidenced by the recording or filing of an instrument of satisfaction or full release of the Mortgage without the recording of another Mortgage in favor of Lender affecting the Property, this Assignment shall become and be void and of no further effect.

ARTICLE II DEFAULT

2.01 Event of Default. The occurrence of any one of the following events shall constitute an "Event of Default" hereunder:

(a) the failure by the Borrower to perform or observe any covenant of the Borrower contained in this Assignment, which such default is not cured within thirty (30) days of Lender's notice to Borrower, or, if such default reasonably cannot be cured within such period, Borrower shall have commenced and shall diligently and in good faith prosecute said cure to completion;

(b) any warranty of the Borrower contained in this Assignment or any of the other Loan Instruments proves to be untrue or misleading in any material respect; or

(c) the occurrence of any Event of Default under any of the Loan Instruments; or

(d) a material default by the Borrower under any of the Leases.

2.02 Remedies. Upon the occurrence of any Event of Default, Lender may at its option, with or without notice or demand of any kind (except as may be provided in any of the Loan Instruments), exercise any or all of the following remedies:

(a) Declare any part or all of the indebtedness evidenced by the Loan Instruments to be due and payable, whereupon the same shall become immediately due and payable;

(b) Perform any and all obligations of the Borrower under any or all of the Leases or this Assignment and exercise any and all rights of the Borrower herein or therein as fully as the Borrower itself could do, including, without limiting the generality of the foregoing, enforcing, modifying, extending or terminating any or all of the Leases; collecting, modifying, compromising, waiving or increasing any or all of the rents payable thereunder; and obtaining new tenants and entering into new leases on the Property on any terms and conditions deemed desirable by Lender; and, to the extent Lender shall incur any reasonable costs in connection with the performance of any such obligations of the Borrower, including reasonable costs of litigation, then all such costs shall become a part of the indebtedness secured by the Loan Instruments, shall bear interest from the incurrence thereof at the default interest rate specified in the Note, and shall be due and payable on demand;

(c) In the Borrower's or Lender's name, institute any legal or equitable action which Lender in its sole discretion deems desirable to collect and receive any or all of the rents, issues and profits assigned herein;

(d) Collect the rents, issues and profits and any other sums due under the Leases with respect to the Property, and apply the same in such order as Lender in its sole discretion may elect against (i) all reasonable costs and expenses, including reasonable attorney's fees actually

incurred, in connection with the operation of the Property, the performance of the Borrower's obligations under the Leases and collection of the rents thereunder; (ii) all the reasonable costs and expenses, including reasonable attorneys' fees actually incurred in the collection of any or all of the indebtedness secured by the Loan Instruments, including all costs, expenses and reasonable attorneys' fees actually incurred in seeking to realize on or to protect or preserve Lender's interest in any other collateral securing any or all of the indebtedness secured by the Loan Instruments, and (iii) any or all unpaid principal and interest on the indebtedness secured by the Loan Instruments. Any amounts remaining after such application shall be applied to the payment of the indebtedness secured by the Loan Instruments in such order as Lender may determine, and if Lender elects to apply such amounts to the principal payment due at the maturity of the indebtedness secured by the Loan Instruments or to monthly payments thereof, regular monthly payments of said indebtedness shall continue to be due in accordance with the instrument evidencing same and without reduction or interruption, and upon the payment in full of the indebtedness secured by the Loan Instruments, then this Assignment and all rights of Lender hereunder shall cease and terminate;

(c) To the extent permitted by law, entry upon and taking possession of the Property and the collection of the rents and the application thereof as aforesaid, shall in no wise operate to cure or waive any default hereunder or under any other of the Loan Instruments, or prohibit the taking of any other action by Lender under any of the Loan Instruments or at law or in equity to enforce the payment of such indebtedness or to realize on any other security. Lender shall have full right to exercise any or all of the foregoing remedies without regard to the adequacy of security for any or all of the indebtedness, and with or without the commencement of any legal or equitable action or the appointment of any receiver or trustee, and shall have full right to enter upon, take possession of, use and operate all or any portion of the Property which Lender in its sole discretion deems desirable to effectuate any or all of the foregoing remedies. In no event shall Lender be liable to any lessee under any of the Lease for the return of any security deposit in any amount in excess of the amount delivered to Lender by the Borrower.

ARTICLE III GENERAL PROVISIONS

3.01 Successors and Assigns. This Assignment shall inure to the benefit of and be binding upon the Borrower and Lender and their respective heirs, executors, legal representatives, successors and assigns. Wherever a reference is made in this Assignment to "the Borrower" or "Lender," such reference shall be deemed to include a reference to the heirs, executors, legal representatives, successors and assigns of the Borrower or Lender.

3.02 Terminology. All personal pronouns used in this Assignment, whether used in the masculine, feminine or neuter gender, shall include all other genders, and the singular shall include the plural, and vice versa. Titles of Articles are for convenience only and neither limit nor amplify the provisions of this Assignment.

3.03 Severability. If any provision of this Assignment or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Assignment and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

3.04 Applicable Law. This Assignment shall be interpreted, construed and enforced according to the laws of the State of Alabama.

3.05 No Third Party Beneficiaries. This Assignment is made solely for the benefit of Lender and its assigns. No tenant under any of the Leases nor any other person shall have standing to bring any action against Lender as the result of this Assignment, or to assume that Lender will exercise any remedies provided herein, and no person other than Lender shall under any circumstances be deemed to be a beneficiary of any provision of this Assignment.

3.06 No Oral Modifications. Neither this Assignment nor any provisions hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

3.07 Cumulative Remedies. The remedies herein provided shall be in addition to and not in substitution for the rights and remedies vested in Lender in any of the Loan Instruments or in law or equity, all of which rights and remedies are specifically reserved by Lender. The remedies

herein provided or otherwise available to Lender shall be cumulative and may be exercised concurrently. The failure to exercise any of the remedies herein provided shall not constitute a waiver thereof, nor shall use of any of the remedies herein provided prevent the subsequent or concurrent resort to any other remedy or remedies. It is intended that this clause shall be broadly construed so that all remedies herein provided or otherwise available to Lender shall continue and be each and all available to Lender until the indebtedness evidenced by the Loan Instruments shall have been paid in full.

3.08 Cross-Default. An Event of Default by the Borrower under this Assignment shall constitute an Event of Default under all other Loan Instruments.

3.09 Counterparts. This Assignment may be executed in any number of counterparts all of which taken together shall constitute one and the same instrument, and any of the parties or signatories hereto may exercise this Assignment by signing any such counterpart.

3.10 Further Assurance. At any time and from time to time, upon request by Lender, the Borrower will make, execute and deliver, or cause to be made, executed and delivered, to Lender and, where appropriate, cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or re-filed at such time and in such offices and places as shall be deemed desirable by Lender, any and all such other and further assignments, deeds to secure debt, mortgages, deeds of trust, security agreements, financing statements, continuation statements, instruments of further assurance, certificates and other documents as may, in the reasonable opinion of Lender be necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve (but not to enlarge or increase) (a) the obligations of the Borrower under this Assignment and (b) the security interest created by this Assignment as a first and prior security interest upon the Leases and the rents, issues, profits and security deposits from the Property. Upon any failure by the Borrower so to do, Lender may make, execute, record, file, re-record and/or re-file any and all such assignments, deeds to secure debt, mortgages, deeds of trust, security agreements, financing statements, continuation statements, instruments, certificates and documents for and in the name of the Borrower, and the Borrower hereby irrevocably appoints Lender the agent and attorney-in-fact of the Borrower so to do.

3.11 Notices. Any and all notices, elections or demands permitted or required to be made under this Assignment shall be made in accordance with the provisions relating to notice set forth in the Mortgage.

3.12 Modifications, etc. The Borrower hereby consents and agrees that Lender may at any time and from time to time, either with or without consideration, surrender any property or other security of any kind or nature whatsoever held by it or by any person, firm or corporation on its behalf or for its account, securing the indebtedness evidenced by the Loan Instruments, grant releases, compromises and indulgences with respect to the Note or any other of the Loan Instruments to any persons or entities now or hereafter liable thereunder or hereunder; release any endorser of the Note, the Mortgage or any other of the Loan Instruments; or take or fail to take any action of any type whatsoever; and no such action which Lender shall take or fail to take in connection with the Loan Instruments, or any of them, or any security for the payment of the indebtedness evidenced by the Loan Instruments or for the performance of any obligations or undertakings of the Borrower, nor any course of dealing with the Borrower or any other person, shall release the Borrower's obligations hereunder, affect this Assignment in any way or afford the Borrower any recourse against Lender. The provisions of this Assignment shall extend and

be applicable to all renewals, amendments, extensions, consolidations and modifications of the Loan Instruments and the Lease, and any and all references herein to the Loan Instruments of the Lease shall be deemed to include any such renewals, amendments, extensions, consolidations or modifications thereof.

IN WITNESS WHEREOF, the Borrower has caused this instrument to be executed as of the day and year first above written.

BORROWERS:

Robert S. Bowling III
Robert S. Bowling, III
Richard S. Milstead
Richard S. Milstead

STATE OF ALABAMA
COUNTY OF CLARKE

I, Margaret J. Pritchard, a Notary Public in and for said County in said State, hereby certify that ROBERT S. BOWLING, III, AND RICHARD S. MILSTEAD, whose names are signed to the foregoing conveyance and who are known to me, acknowledge before me on this day that, being informed of the contents of the conveyance, they executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 4th day of Aug, 1999.

Margaret J. Pritchard
Notary Public
My Commission Expires: 9-22-2000

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04:14 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
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