

Loan No. _____

Inst # 2000-35105

STATE OF ALABAMA :
:ss
COUNTY OF SHELBY :

10/06/2000-35105
10:08 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
009 CJ1 35.00

ASSIGNMENT OF LEASES

This ASSIGNMENT OF LEASES ("Assignment"), dated September 27, 2000, is made by **JOHNNY W. REESE, and his wife CAROL M. REESE**, whose address is 2520 Highway 31 South, Pelham, Alabama 35124 ("Assignor"), in favor of **COLONIAL BANK**, an Alabama banking corporation, whose address is 1928 First Avenue North, Birmingham, Alabama 35203, Attn: Monte W. Smith, Vice President ("Assignee"), and is executed pursuant to the loan documents dated as of the date of this Assignment between Assignor and Assignee (such loan documents, as they may from time to time be supplemented, modified and amended, being referred to in this Assignment collectively as the "Document"), the provisions of which are incorporated in this Assignment by reference. The Document provides, among other things, for rules of construction which apply to this Assignment.

1. Definitions. As used in this Assignment, the following terms shall have the following meanings:

"Leases" means all leases, rental contracts, occupancy agreements, licenses and other arrangements (in each case whether existing now or in the future) pursuant to which any person or legal entity occupies or has the right to occupy or use any portion of the Real Property, and includes (a) any supplement, modification, amendment, renewal or extension of any Lease, (b) any security or guaranty for any Lease, and (c) any Lease described in Schedule "1" attached to this Assignment and incorporated in this Assignment by reference.

"Real Property" means (a) the land described in Exhibit "A" attached to this Assignment and incorporated in this Assignment by reference, and (b) all buildings, structures and other improvements now or in the future located or to be constructed on such land.

"Rents" means all rents, issues, income, revenues, royalties, profits and other amounts now or in the future payable under any of the Leases, including those past due and unpaid.

"Tenant" means the tenant, lessee or licensee under a Lease, and includes any guarantor of any Lease.

Capitalized terms used in this Assignment and not otherwise defined are used with the meanings set forth in the Document.

2. Assignment. For valuable consideration, Assignor irrevocably and unconditionally grants, transfers and assigns to Assignee all of Assignor's present and future right, title and interest in and to the Leases and the Rents, together with all advance payments, security deposits and other amounts paid

or payable to or deposited with Assignor under any of the Leases, all other security and guaranties for any of the Leases, and all other rights and interests of Assignor under or in respect of any of the Leases.

3. Status of Leases. Assignor represents and warrants to Assignee that: (a) all Leases in effect as of the date of this Assignment are described in Schedule "1"; (b) except as otherwise disclosed in writing to Assignee, to the best knowledge of Assignor, each Lease affecting any portion of the Real Property is in full force and effect and free from any material breach or default by any party; (c) as of the date of this Assignment, no Rents or other amounts have been paid under any Lease more than 30 days in advance of the date when due; (d) Assignor has not executed and is not bound by or subject to any previous assignment of the Leases or the Rents or other amounts paid or payable under any Lease, other than any such assignment that has terminated or will terminate at or prior to the date of recordation of this Assignment; and (e) Assignor has not taken any action, and is not aware of any other event or circumstance, that may or would impair or otherwise interfere with the rights or interests of Assignee under this Assignment.

4. Collection of Rents and Administration of Leases. Notwithstanding this Assignment, so long as no Event of Default has occurred and is continuing, Assignor shall have the right (a) to collect, receive, hold and dispose of Rents and other amounts payable under any Lease, and (b) subject to the requirements of § 5 below, to enforce, supplement, modify, amend, renew, extend, terminate and otherwise administer the Leases and deal with Tenants in relation to the Leases, provided that unless Assignee otherwise consents in writing: (i) any such Rents or other amounts paid more than 30 days in advance of the date when due shall be delivered to Assignee and held by Assignee in a cash collateral account (over which Assignee shall have sole and exclusive control and right of withdrawal), to be released and applied on the date when due (or, if an Event of Default has occurred and is continuing, at such other time or times and in such manner as Assignee may determine), (ii) amounts paid for security deposits or similar purposes shall be segregated and held in a separate deposit account assigned to Assignee, to be released and applied when permitted or required by the terms of the applicable Lease, and (iii) if an Event of Default has occurred and is continuing, Assignor's right to collect and receive such Rents and other amounts and to take such other action shall cease and Assignee shall have the sole right, with or without taking possession of the Real Property, to do so (including the collection of Rents and other amounts past due and unpaid). Any such collection of Rents or other action by Assignee shall not cure or waive any Event of Default or notice of default or invalidate any act done pursuant to such notice. Failure or discontinuance by Assignee at any time or from time to time to collect the Rents or take such other action shall not in any manner affect the subsequent enforcement by Assignee of its right to do so.

5. Maintenance and Enforcement of Leases. Unless Assignee otherwise consents in writing, Assignor shall: (a) except for any portion of the Real Property which is occupied by Assignor or its affiliates or agents in compliance with the terms of the Document, use its best efforts to keep the Real Property fully leased pursuant to approved leases as determined by Assignee in Assignee's reasonable discretion, and not enter into any Lease that is not approved by Assignee; (b) take all action reasonably necessary or appropriate to maintain and enforce its rights and interests under each of the Leases; (c) comply in all material respects with its obligations under each of the Leases, and otherwise operate and maintain the Real Property in accordance with prudent and customary commercial practices and provide all necessary amenities, services and supplies; (d) not transfer, encumber or further assign any interest of Assignor in the Leases or the Rents or any other amounts paid or payable under any Lease, or cause or permit any Lease to be subordinate to any mortgage or other encumbrance (except for subordination to the Mortgage in favor of Assignee to the extent such subordination is permitted or required by Assignee); (e) not permit or agree to any subletting or assignment of any Lease unless the sublease or assigned Lease would constitute

an Approved Lease if made directly by Assignor to the sublessee or assignee; (f) not commit or permit any material breach or default on the part of Assignor under any Lease; (g) not extend the due date of any amount owing under any Lease for more than 60 days, or reduce the term of any Lease by more than six months or the amount of any rental payments or other amounts due or to become due under any Lease, or materially increase the obligations of Assignor in respect of any Lease; and (h) not otherwise permit or agree to any supplement, modification, amendment, renewal, extension, termination or surrender of, or consent or agree to any waiver of or departure from the terms of, or otherwise release any interest in or rights under or in connection with, any Lease, except that so long as no Event of Default has occurred and is continuing, this clause (h) shall not apply to (i) the termination of any Lease as a result of a material breach or default by the Tenant or the mutual termination of any Lease during the last six months of the term of the Lease or any termination or surrender required by the terms of any Lease, (ii) any renewal or extension in accordance with the terms of any Lease, or (iii) any other failure of Assignor to comply with the requirements of this clause (h) so long as such failure is not materially adverse to the rights or interests of Assignor or Assignee and does not result in the termination of any Lease or cause any Lease to cease to be an Approved Lease.

6. Tenant Estoppels and Notices of Default. Assignor shall use its best efforts to obtain from Tenants such Tenant Estoppels as Assignee may reasonably request from time to time, and shall give prompt written notice to Assignee of (a) any actual or threatened termination or surrender of any Lease, (b) any event or occurrence which, with or without the giving of notice and/or the passage of time, could permit any Lease to be terminated by the Tenant prior to the expiration of the then current term of the Lease, and (c) any default in the payment of money or other material breach or default under any Lease which continues uncured for more than 60 days.

7. Actions. Assignor shall appear in and defend any claim or any action or other proceeding purporting to affect any Lease or the rights, powers or interests of Assignee under this Assignment, and give Assignee prompt written notice of any such claim, action or proceeding. Assignee may, at the expense of Assignor, appear in and defend any such claim, action or proceeding and any claim, action or other proceeding asserted or brought against Assignee in connection with or relating to any Lease or this Assignment.

8. Action by Assignee. If Assignor fails to perform any of its obligations under this Assignment, Assignee may, but without any obligation to do so and without notice to or demand upon Assignor and without releasing Assignor from any obligations under this Assignment, and at the expense of Assignor: (a) perform such obligations in such manner and to such extent and make such payments and take such other action as Assignee may deem necessary in order to protect its rights, powers or interests under this Assignment, Assignee being authorized to enter upon the Real Property for such purposes, and (b) appear in and defend any claim or any action or other proceeding purporting to affect any Lease or the rights, powers or interests of Assignee.

9. Obligations with Respect to Leases. Assignee shall be under no obligation (a) to preserve, maintain or protect the Leases or any of Assignor's rights or interests in the Leases or the Rents or other amounts payable under any Lease, (b) to collect or generate any such Rents or other amounts, (c) to make or give any presentments, demands for performance, protests, notices of nonperformance, protest or dishonor or other notices of any kind in connection with any Lease, or (d) to take any other action with respect to any Lease or under or by reason of this Assignment. Assignee does not assume and shall have no liability for, and shall not be obligated to perform, any of Assignor's obligations with respect to any Lease, and nothing contained in this Assignment shall release Assignor from any such obligations. Nothing

contained in this Assignment, nor the exercise by Assignee of any remedies under this Assignment (including the right to collect the Rents), shall be deemed to make Assignee a "mortgagee-in-possession" or shall be, or be construed to be, an affirmation by Assignee of, or an assumption of liability by Assignee under, any Lease, or shall otherwise impose on Assignee any responsibility or liability for any obligations of Assignor under any Lease or otherwise in respect of the Real Property. Assignor shall indemnify, defend and save and hold harmless Assignee from and against, and shall pay on demand, any and all losses, liabilities, damages, costs, expenses and charges (including the reasonable fees and disbursements of Assignee's legal counsel and the reasonable charges of Assignee's internal legal counsel) suffered or incurred by Assignee by reason of this Assignment or as a result of the existence or allegation of any obligation, undertaking or liability on the part of Assignee under or in connection with any Lease or otherwise in respect of the Real Property, provided that Assignee shall not be entitled to indemnification for any such matters caused solely by Assignee's gross negligence or willful misconduct.

10. Default. Upon the occurrence of any Event of Default, Assignee may, without releasing Assignor from any of its Obligations to Assignee and without notice to or demand upon Assignor, which are expressly waived by Assignor (except for notices or demands otherwise required by applicable federal, state or local laws, rules or regulations ("Laws") to the extent not effectively waived by Assignor), either directly or through an agent or court-appointed receiver, and without regard to the adequacy of any security for Assignor's Obligations to Assignee:

(a) either with or without taking possession of the Real Property, notify Tenants that all Rents and other payments and performance under any Leases are to be made and rendered directly and exclusively to Assignee, and in its own name supplement, modify, amend, renew, extend, accelerate, accept partial payments or performance on, make allowances and adjustments and issue credits with respect to, give approvals, waivers and consents under, release, settle, compromise, compound, sue for, collect or otherwise liquidate, enforce or deal with any of the Leases, including collection of amounts past due and unpaid (Assignor agreeing not to take any such action after the occurrence of an Event of Default without prior written authorization from Assignee);

(b) endorse, in the name of Assignor, all checks, drafts and other evidences of payment relating to the Leases or the Rents or other amounts payable under any Lease;

(c) make, cancel, enforce or modify Leases, obtain and evict Tenants, fix or modify Rents or other amounts payable under any Lease and, in its own name or in the name of Assignor, otherwise deal with any Tenants in any manner Assignee may determine; and

(d) take such other action as Assignee deems appropriate to protect its rights and interests in the Leases and the Rents and other amounts payable under any Lease and proceed to protect, exercise and enforce any and all other remedies provided under the Documents or by applicable Laws.

Assignor irrevocably authorizes and directs each of the Tenants, upon receipt of written request by Assignee, to pay to Assignee or its designee all Rents and other amounts due and to become due under the Leases. Such Tenants shall have the right to rely upon any such request by Assignee and shall pay such Rents and other amounts to Assignee or its designee without any obligation or right to inquire as to whether any Event of Default actually exists and notwithstanding any notice from or claim of Assignor to the contrary, and Assignor shall have no right or claim against such Tenants for any such Rents or other amounts so paid by such Tenants to Assignee or its designee.

Each of the remedies provided in this Assignment is cumulative and not exclusive of, and shall not prejudice, any other Remedy provided in this Assignment or by applicable Laws or under any other Loan Document. Each Remedy may be exercised from time to time as often as deemed necessary by Assignee, and in such order and manner as Assignee may determine. This Assignment is independent of any security for Assignor's obligations under any other documents or under the Documents ("Obligations"), and upon the occurrence of an Event of Default, Assignee may proceed in the enforcement of this Assignment independently of any other Remedy that Assignee may at any time hold with respect to the Leases and the Rents and other amounts payable under any Lease or Assignor's Obligations or any such other security.

11. Costs and Expenses. Assignor shall pay, on demand, all costs, fees, expenses, advances, charges, losses and liabilities of Assignee under or in connection with this Assignment or the enforcement of, or the exercise of any Remedy or any other action taken by Assignee under, this Assignment, in each case including the reasonable fees and disbursements of Assignee's legal counsel and other out-of-pocket expenses, and the reasonable charges of Assignee's internal legal counsel, together with interest on all such amounts until paid at the Default Rate.

12. Attorney-in-Fact. In furtherance of the purposes of this Assignment, Assignor appoints Assignee as Assignor's attorney-in-fact, with full authority in the place of Assignor, at the option of Assignee at any time after the occurrence and during the continuance of any Event of Default, and in the name of Assignor or Assignee, to (a) demand, collect and receive the Rents and other amounts payable under any Lease, (b) bring suit and take other action to enforce the Leases, (c) enforce, supplement, modify, amend, renew, extend, terminate and otherwise administer the Leases and deal with Tenants in relation to the Leases, (d) give receipts, releases and satisfactions with respect to the Leases and the Rents and other amounts payable under any Lease, and (e) take such other action as Assignee may reasonably deem necessary or advisable in connection with the exercise of any remedies or any other action taken by Assignee under this Assignment.

13. Release of Assignment. Upon full reconveyance of the Mortgage executed by Assignor in favor of Assignee with respect to the Real Property, the assignment in favor of Assignee set forth herein shall become and be void and of no further force or effect, but without prejudice to Assignee's right to recover costs and expenses and indemnification pursuant to the terms hereof.

14. Successors and Assigns. This Assignment applies to and shall be binding on and inure to the benefit of all parties to this Assignment and their respective successors and assigns.

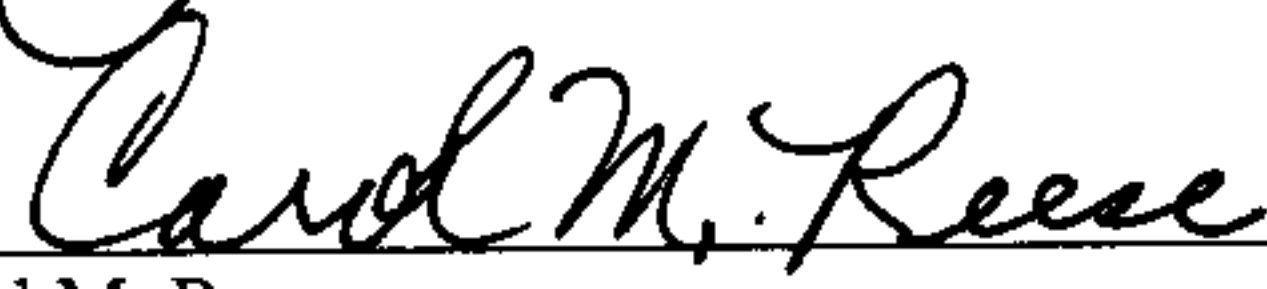
15. Acceptance. Notice of acceptance of this Assignment by Assignee is waived by Assignor.

(Signatures appear on subsequent page)

ASSIGNOR:



Johnny W. Reese



Carol M. Reese

STATE OF ALABAMA

JEFFERSON COUNTY

)
)
)

I, the undersigned, a Notary Public in and for said County, in said State, hereby certify that Johnny W. Reese and Carol M. Reese, 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 for the purposes therein contained as of the day the same bears date.

Given under my hand and official seal on this the 28th day of September, 2000.


NOTARY PUBLIC
My Commission Expires: 10-27-2003

This Instrument Prepared By:
Carol N. Brown, Esq.
Sirote & Permutt, P.C.
2311 Highland Avenue
Birmingham, Alabama 35205

Loan No. _____

Exhibit "A"
to Assignment of Leases

LEGAL DESCRIPTION OF LAND

Lot 2 of CVA Addition to Alabaster, as recorded in Map Book 25, Page 58, in the Office of the Judge of Probate, Shelby County, Alabama.

Loan No. _____

Schedule "1"
to Assignment of Leases

EXISTING LEASES

The following Leases are in effect as of the date of this Assignment of Leases (if none, state "none presently in effect"):

<u>Tenant</u>	<u>Date</u>	<u>Annual Rate</u>	<u>Monthly Rent</u>
Renters Choice, Inc.	April 28, 1998	\$53,200.00	\$4,433.33

Inst # 2000-35105

::ODMA\PCDOCS\DOCSBHM\802388\1

10/06/2000-35105
10:08 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
009 CJ1 35.00