

THIS INSTRUMENT PREPARED BY:

Dunlap & Seeger, P.A.
206 South Broadway, Suite 505
P.O. Box 549
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Inst # 2001-37117

08/29/2001-37117
09:00 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
011 HSB 41.00

STATE OF ALABAMA)
COUNTY OF SHELBY)

ASSIGNMENT OF RENTS AND LEASES

This Assignment is made this 27th day of August, 2001, between, GAC Footstore LLC, a Delaware limited liability company, the assignor ("Borrower," whether one or more), and Home Federal Savings Bank, a corporation under the laws of the State of Minnesota, the assignee ("Lender").

RECITALS

- A. Borrower has executed and delivered to Lender Borrower's promissory note ("Note") dated the same date as this Assignment in the principal amount of Three Million Two Hundred Forty-two Thousand and no/100 (\$3,242,000.00) Dollars.
- B. To secure payment of the Note, Borrower has executed and delivered to Lender a Combination Mortgage, Security Agreement and Fixture Financing Statement ("Mortgage") dated the same date as this Assignment, covering certain property ("Property") including, among other things, real estate located in the County of Shelby and State of Alabama, described in the attached Exhibit "A" and the buildings, improvements, fixtures and personal property now or later located on the real estate.
- C. Lender has required that Borrower execute this Assignment as a condition to the loan evidenced by the Note.

FOR VALUABLE CONSIDERATION, the parties agree to the following terms:

I. ASSIGNMENT

Borrower hereby grants, transfers and assigns to Lender all Borrower's right, title and interest in and to:

- A. Any present or future leases or tenancies, whether written or oral, covering or affecting any of the Property, together with any extensions, modifications and renewals of the leases or tenancies (each, a "Lease" and collectively, "Leases"); and
- B. All rents, profits and other income or payments of any kind due or payable or to become due or payable to Borrower from any use, possession or occupancy of all or any portion of the Property, or from the use or lease of any personal property which is a part of the Property, whether accruing before or after foreclosure of the Mortgage or during the period of redemption ("Rents").

II. PURPOSE OF ASSIGNMENT

This Assignment secures:

- A. The payment of all debts evidenced by the Note and all other sums secured by the Mortgage; and
- B. The performance and discharge of each obligation, covenant and agreement of Borrower in this Assignment and in the Mortgage.

III. COVENANTS OF BORROWER

Borrower warrants and covenants that Borrower:

- A. Is and will remain the absolute owner of the Rents and Leases free of all liens and encumbrances other than the lien granted in this Assignment;
- B. Has not previously assigned or otherwise encumbered Borrower's interest in any of the Rents or Leases to any other person;
- C. Has the right under applicable law, the Leases and otherwise to execute and deliver this Assignment and to keep and perform all Borrower's obligations under this Assignment; and
- D. Will warrant and defend the Leases and Rents against all adverse claims, whether now existing or later arising.

IV. PRESENT ASSIGNMENT

This Assignment is a perfected, absolute and present assignment. Borrower may, however, collect all the Rents and retain all rights and remedies under the leases and exercise the same (subject to the article titled "Collection of Rents") and retain, use and enjoy the Rents until an Event of Default (as defined in the Mortgage) occurs under the Mortgage or Borrower breaches any warranty or covenant contained in this Assignment. Borrower shall pay to Lender any Rents accruing prior to an Event of Default under the Mortgage but paid later.

V. COLLECTION OF RENTS

Borrower shall not collect or accept any Rents for the use or occupancy of the Property for more than one (1) month in advance. Security deposits are not Rents for purposes of this Article.

VI. PERFORMANCE OF LEASES

Borrower shall faithfully abide by, perform and discharge each obligation, covenant and agreement which Borrower now is or may be liable to observe or perform under any Lease. At Borrower's sole cost and expense, Borrower shall enforce or secure the performance of each obligation, covenant, condition and agreement to be performed by the tenant under each Lease. Borrower shall observe and comply with all laws applicable to operating and owning the Property. Borrower shall give prompt written notice to Lender of any notice of default by Borrower received from a tenant regarding any Lease. Borrower shall also at Borrower's sole cost and expense, appear in and defend any action or proceeding arising under, growing out of, or in any manner connected with, any Lease or the obligations, duties or liabilities of Borrower or any tenant under any Lease. Without the prior written consent of Lender, Borrower shall not lease or otherwise permit the use of all or any portion of the Property for more than one (1) month at a rent below the fair market rent for the Property.

VII. SPECIFIC ASSIGNMENT OF LEASES

Borrower shall transfer and assign to Lender any specific Leases that Lender requests in a written notice to Borrower. Except as otherwise provided in the document of assignment, any transfer or assignment by Borrower is upon the same terms and conditions as are contained in this Assignment. Borrower shall properly file or record these assignments, at Borrower's expense, if Lender requests. Borrower specifically assigns, pursuant to this Assignment, that certain Lease identified in Exhibit B, attached hereto.

VIII. LENDER AS ATTORNEY-IN-FACT

Borrower hereby irrevocably appoints Lender and Lender's successors and assigns as Borrower's agent and attorney-in-fact. This appointment is coupled with an interest. Lender may (but has no duty to) exercise any rights or remedies under this Assignment and execute and deliver during the term of this Assignment any instruments Lender thinks are appropriate to make this Assignment and any further assignments effective. These rights include but are not limited to the right to endorse on behalf and in the name of Borrower all checks payable to Borrower from tenants to pay the Rents.

IX. PROTECTING THE SECURITY OF THIS ASSIGNMENT

If Borrower fails to perform or observe any covenant or agreement in this Assignment, then Lender may (but is not obligated to) make or perform the covenant or agreement in the manner and to the extent Lender thinks is appropriate to protect the security of this Assignment. The rights of Lender under this Article include but are not limited to the right:

- A. To appear in and defend any action or proceeding that may affect the security of this Assignment or the rights or powers of Lender;
- B. To perform and discharge each obligation, covenant and agreement of Borrower contained in the Leases; and
- C. In exercising any other rights granted under this Assignment, to pay necessary costs and expenses, employ legal counsel, and pay reasonable attorneys' fees.

Borrower shall pay on demand all sums expended by Lender under this Article together with interest on these sums at the rate stated in the Note. Lender shall add these sums with interest to the debts secured by this Assignment and the Mortgage.

X. NO LIABILITY FOR LENDER

Lender is not obligated to perform or discharge, nor does Lender by this Assignment undertake to perform or discharge, any obligation, duty or liability of Borrower under the Leases. This Assignment does not mean Lender is responsible to control, care, manage or repair the Property or to carry out any of the terms and conditions of the Leases. Lender is not responsible or liable for:

- A. Any waste committed on the Property;
- B. Any dangerous or defective condition of the Property;

- C. Any negligence in managing, maintaining, repairing or controlling the Property; or
- D. Failure to collect the Rents.

XI. BORROWER'S INDEMNIFICATION

Borrower shall indemnify and hold Lender harmless against any claims, demands, liability, loss or damage (including all costs, expenses and reasonable attorneys' fees in the defense of the foregoing) asserted against, imposed on or incurred by Lender:

- A. Connected with or resulting from this Assignment or the exercise of any rights or remedies under this Assignment or under the Leases; or
- B. Because of any alleged obligations or undertakings of Lender to perform or discharge any of the terms, covenants or agreements contained in the Leases.

If Lender incurs any liability, this Assignment and the Mortgage secure the amount of the liability, together with interest at the rate stated in the Note. Borrower shall reimburse Lender for any liability, with interest, upon demand.

XII. SURVIVAL OF OBLIGATIONS

This Assignment is given as security in addition to the Mortgage. All Borrower's obligations under the Mortgage and this Assignment survive foreclosure of the Mortgage. Borrower shall observe and comply with all terms and conditions in the Mortgage and in this Assignment. Borrower shall preclude any Event of Default (as defined in the Mortgage) from occurring under the Mortgage during the period of redemption following foreclosure of the Mortgage.

XIII. DEFAULT AND REMEDIES

If any Event of Default (as defined in the Mortgage) specified in the Mortgage occurs or if any warranty or covenant contained in this Assignment is breached, Lender may, at Lender's option:

- A. In the name, place and stead of Borrower and without becoming a mortgagee in possession:
 - 1. Enter upon, manage and operate the Property or retain the services of one or more independent contractors to manage and operate all or any part of the Property;
 - 2. Make, enforce, modify and accept surrender of the Leases;

3. Obtain or evict tenants;
 4. Collect, sue for, fix or modify the Rents;
 5. Enforce all rights of Borrower under the Leases; and
 6. Perform any other acts necessary or proper to protect the security of this Assignment;
- B. With or without exercising the rights in paragraph A above, give or require Borrower to give notice to any tenants under the Leases authorizing and directing them to pay all rents under the Leases directly to Lender; and
- C. Without regard to any waste, adequacy of the security, or solvency of Borrower, apply for the appointment of a receiver of the Property. Borrower consents to this appointment whether or not foreclosure proceedings have been commenced under the Mortgage and whether or not a foreclosure sale has occurred.

The exercise of any of these rights or remedies and the application of the rents, profits and income under the article titled "Application of Rents, Profits and Income" does not cure or waive any Event of Default (as defined in the Mortgage) (or notice of default) under the Mortgage or invalidate any act done under a notice.

XIV. RIGHTS AND REMEDIES CUMULATIVE

All the rights and remedies in this assignment or which Lender or the holder of the Note or the Mortgage may otherwise have, at law or in equity, are distinct, separate, and cumulative and may be exercised concurrently, independently or successively in any order whatsoever, and as often as needed.

XV. APPLICATION OF RENTS, PROFITS AND INCOME

Lender or the receiver each month shall apply all Rents collected in the following order:

- A. To pay all reasonable fees of the receiver approved by the court.
- B. To pay all prior or current real estate taxes and special assessments for the Property then due, or if the Mortgage requires periodic escrow payments for the taxes and assessments, to the escrow payments then due.

- C. To pay all premiums then due for insurance required by the provisions of the Mortgage, or if the Mortgage requires periodic escrow payments for the premiums, to the escrow payments then due.
- D. To pay expenses incurred for normal maintenance of the Property.
- E. If received prior to any foreclosure sale of the Property, to Lender to pay the debts secured by the Mortgage or this Assignment, but no payment made after acceleration of the debts affects the acceleration.
- F. If received during or for the period of redemption following a foreclosure sale of the Property:
 - 1. If the purchaser at the foreclosure sale is not Lender, first to Lender to the extent of any deficiency of the sale proceeds to repay the debts secured by the Mortgage or this Assignment, and second to the purchaser as a credit to the redemption price; but if the Property is not redeemed, then to the purchaser of the Property; or
 - 2. If the purchaser at the foreclosure sale is Lender, to Lender to the extent of any deficiency of the sale proceeds to repay the debts secured by the Mortgage or this Assignment and Lender shall retain the balance as a credit to the redemption price; but if the Property is not redeemed, then to Lender whether or not any deficiency exists.

The rights and powers of Lender under this Assignment and the application of Rents under this Article continue until the redemption period from any foreclosure sale expires, whether or not any deficiency remains after the foreclosure sale.

XVI. AUTHORIZATION TO TENANTS

When Lender gives notice that Lender is exercising the remedy set forth in section B of the article titled "Default and Remedies," Borrower hereby irrevocably authorizes and directs the tenants under the Leases to pay to Lender all sums due under the Leases. Borrower consents and directs that the tenants pay these sums to Lender without a court determining that a default has occurred under this Assignment or the Mortgage or that Lender is entitled to exercise Lender's rights under this Assignment. To the extent that these sums are paid to Lender, the tenant has no further liability to Borrower for these sums. The signature of Lender alone is sufficient for the exercise of any rights under this Assignment and the receipt of Lender alone for any sums received is a full discharge and release for the sums received of any tenant or occupant of the Property. The tenants shall, upon notice from Lender, draw checks for all or any part of the Rents collected under this Assignment to the exclusive order of Lender.

XVII. LENDER NOT A MORTGAGEE IN POSSESSION

Lender is not a mortgagee in possession by reason of this Assignment or any actions taken under this Assignment.

XVIII. UNENFORCEABLE PROVISIONS SEVERABLE

Lender may exercise all rights, powers and remedies provided in this Assignment to the extent that their exercise does not violate any applicable law. These rights, powers and remedies are limited to the extent necessary so that they do not render this Assignment invalid or unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any terms of this Assignment are held to be invalid, illegal or unenforceable, the validity of other terms of this Assignment are in no way affected. This Assignment confers upon Lender the fullest rights, remedies and benefits available under Alabama Statutes and Laws.

XIX. SUCCESSORS AND ASSIGNS

This Assignment binds Borrower and Borrower's successors and assigns, and is enforceable by Lender and Lender's successors and assigns.

XX. CAPTIONS; AMENDMENT; NOTICE

The captions and headings of the articles of this Assignment are for convenience only and are not be used to interpret or define the provisions of this Assignment. Borrower and Lender can amend this Assignment only in a writing signed by them. Any notice from Lender to Borrower under this Assignment is given when given by Lender according to the requirements for notice by Lender under the Mortgage.

XXI. COUNTERPARTS

Borrower may execute this Assignment in any number of counterparts, each of which is an original and all of which together are one instrument.

**BORROWER BY EXECUTING AND LENDER BY ACCEPTING THIS ASSIGNMENT
AGREE TO ALL ITS TERMS.**

GAC FOOTSTORE LLC

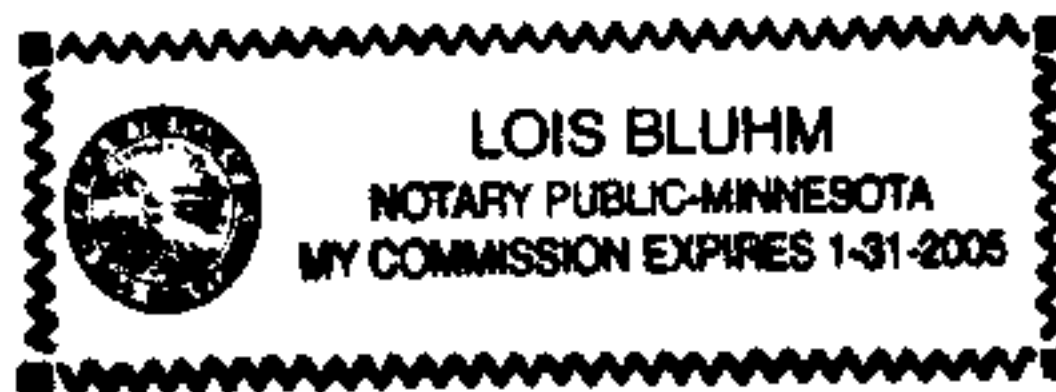
By 
Gus A. Chafoulias, Its Manager

STATE OF MINNESOTA)

OLMSTED COUNTY)

I, the undersigned Notary Public, in and for said Olmsted County, in said State, hereby certify that Gus A. Chafoulias, whose name as Chief Manager of GAC Footstore LLC, a Minnesota Limited Liability Company, and who is known to me, acknowledged before me this day that, being informed of the contents of said Assignment of Rents and Leases, he as such officer, and with full authority, executed the same voluntarily, as the act of said company.

Given under my hand and official seal, this the 27th day of August, 2001.




NOTARY PUBLIC
My Commission Expires: 1/31/05

EXHIBIT "A"

Description of Real Estate

Lot 2, according to the Survey of River Ridge, as recorded in Map Book 26, Page 14, in the Probate Office of Shelby County, Alabama.

EXHIBIT "B"

Specific Leases

1. Lease Agreement dated April 30, 2001, by and between Lippert Real Estate, Inc., as Landlord and River Ridge Feet, Inc., as Tenant, as amended.

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