

**RECORDING REQUESTED BY
AND AFTER RECORDING RETURN TO:**

Proskauer Rose LLP
1585 Broadway
New York, New York 10036
Attention: David S. Weinberger, Esq.

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES (this "Agreement") is effective as of this 18 day of February, 2004 by ARC COMMUNITIES 16 LLC, a Delaware limited liability company, whose address for notice is 600 Grant Street, Suite 900, Denver, Colorado 80203 ("Borrower"), to MERRILL LYNCH MORTGAGE LENDING, INC., a Delaware corporation, whose address for notice is Four World Financial Center, 16th Floor, 250 Vesey Street, New York, New York 10080 ("Lender").

AGREEMENT:

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender agree as follows:

1. Absolute Assignment. Borrower unconditionally and absolutely assigns to Lender all of Borrower's right, title and interest in and to: (a) all leases, subleases, occupancy agreements, licenses, usufructs, rental contracts and other agreements now or hereafter existing relating to the use or occupancy of the project located on the real property described in Exhibit A hereto (the "Property"), together with all guarantees, modifications, extensions and renewals thereof (collectively, the "Leases"); and (b) all rents, issues, profits, income and proceeds due or to become due from tenants of the Property, including rentals and all other payments of any kind under the Leases, together with all deposits (including security deposits) of tenants thereunder (collectively, the "Rents"). This Agreement is an absolute assignment to Lender and not an assignment as security for the performance of the obligations (the "Obligations") under the Loan Documents (defined below), or any other indebtedness.

2. Rights of Lender. Subject to the provisions of Section 6 below, Lender shall have the right, power and authority to: (a) notify any person that the Leases have been assigned to Lender and that all Rents are to be paid directly to Lender, whether or not Lender has commenced or completed foreclosure or taken possession of the Property; (b) settle, compromise, release, extend the time of payment of, and make allowances, adjustments and discounts of any Rents or other obligations under the Leases; (c) enforce payment of Rents and other rights under the Leases, prosecute any action or proceeding, and defend against any claim with respect to Rents and Leases; (d) enter upon, take possession of and operate the Property; (e) lease all or any part of the Property; and/or (f) perform any and all obligations of Borrower under the Leases and exercise any and all rights of Borrower therein contained to the full extent of Borrower's rights and obligations thereunder, with or without the bringing of any action or the appointment of a receiver. At Lender's request, Borrower shall deliver a copy of this Agreement to each tenant under a Lease and to each manager and managing agent or operator of the

Property. Borrower irrevocably directs any tenant, manager, managing agent, or operator of the Property, without any requirement for notice to or consent by Borrower, to comply with all demands of Lender under this Agreement and to turn over to Lender on demand all Rents which it receives.

3. No Obligation. Notwithstanding Lender's rights hereunder, Lender shall not be obligated to perform, and Lender does not undertake to perform, any obligation, duty or liability with respect to the Leases, Rents or Property on account of this Agreement. Lender shall have no responsibility on account of this Agreement for the control, care, maintenance or repair of the Property, for any waste committed on the Property, for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property.

4. Right to Apply Rents. Subject to the terms and provisions of the Loan Agreement (as defined herein), Lender shall, after an Event of Default or in accordance with Sections 2.12 and 2.13 of the Loan Agreement, have the right, but not the obligation, to use and apply any Rents received hereunder in such order and such manner as Lender may determine for:

(a) Enforcement or Defense. The payment of costs and expenses of enforcing or defending the terms of this Agreement or the rights of Lender hereunder, and collecting any Rents;

(b) Loan and Crossed Loan Payments. Interest, principal or other amounts payable pursuant to (1) the Loan Agreement of even date herewith by and among Borrower and Lender (the "Loan Agreement"); (2) the Promissory Note, of even date herewith, in the stated principal amount of \$25,833,000.00, executed by Borrower, bearing interest and being payable to the order of Lender (the "Note"); (3) the certain Mortgage (as defined in the Loan Agreement) affecting the Property (herein referred to as the "Mortgage"); (4) all other documents and instruments evidencing, governing and securing the loan evidenced by the Note (the "Loan") and any and all modifications, amendments or extensions thereof or replacements or substitutions therefor (the Loan Agreement, the Note, the Mortgage, this Agreement, such other documents and instruments, and such modifications, amendments, extensions, replacements, and substitutions thereof being herein collectively called the "Loan Documents"); and (5) the Crossed Loan Documents (as defined in the Loan Agreement, provided that the Crossed Loan Documents as referred to in this Agreement shall no longer include Excluded Loan Documents (as defined in the Loan Agreement), and obligations of the related Excluded Borrowers (as defined in the Loan Agreement) with respect to the Excluded Loans (as defined in the Loan Agreement) shall not be included under this clause (5) in the event and to the extent Lender from time to time exercises its right and option under Section 2.11(g) of the Loan Agreement to cause the Loan Documents to no longer secure Excluded Loans specified by Lender pursuant to such Section 2.11(g)); and

(c) Operating Expenses. Payment of costs and expenses of the operation and maintenance of the Property, including (1) rentals and other charges payable by Borrower under any ground lease or other agreement affecting the Property; (2) electricity, telephone, water and other utility costs, taxes, assessments, water charges and sewer rents and other utility and governmental charges levied, assessed or imposed against the Property; (3) insurance premiums; (4) costs and expenses with respect to any litigation affecting the Property, the Leases or the Rents; (5) wages and salaries of employees, commissions of agents and attorneys' fees and expenses; and (6) all other carrying costs, fees, charges, reserves, and expenses whatsoever relating to the Property.

5. No Waiver. The exercise or nonexercise by Lender of the rights granted in this Agreement or the collection and application of Rents by Lender or its agent shall not be a waiver of any

default by Borrower under this Agreement or any other Loan Document, or of any default by any Crossed Borrower (as defined in the Loan Agreement) under the Crossed Loan Documents. No action or failure to act by Lender with respect to any obligations of Borrower under the Loan Documents (or any obligations of any Crossed Borrower under the Crossed Loan Documents), or any security or guaranty given for the payment or performance thereof, shall in any manner affect, impair or prejudice any of Lender's rights and privileges under this Agreement, or discharge, release or modify any of Borrower's duties or obligations hereunder.

6. Revocable License. Notwithstanding that this Agreement is an absolute assignment of the Rents and Leases and not merely the collateral assignment of, or the grant of a lien or security interest in the Rents and Leases, Lender grants to Borrower a revocable license to collect and receive the Rents and to retain, use and enjoy such Rents and to otherwise have the rights and obligations with respect to the Leases as granted Lender in Section 2 above until an Event of Default (as defined in the Loan Agreement) occurs. Upon the occurrence and during the continuance of any Event of Default such license shall be deemed automatically revoked without further notice, service, act or deed by Lender or any other person or entity. Borrower shall apply any Rents which it receives to the payment of debt service on the Note and other payments due under the Loan Agreement, taxes, assessments, water charges, sewer rents and other governmental charges levied, assessed or imposed against the Property, insurance premiums, operation and maintenance charges relating to the Property, and other obligations of lessor under the Leases before using such proceeds for any other purpose.

7. Term. This Agreement shall continue in full force and effect until (a) all amounts due under the Loan Documents (and Crossed Loan Documents) are paid in full, and (b) all other obligations of Borrower under the Loan Documents (and the Crossed Borrowers under the Crossed Loan Documents) are fully satisfied. This Agreement shall be released and terminated as, when and to the extent the Mortgage securing the Property is released and discharged without the need to execute and deliver further instruments; provided, however, that Lender shall, upon Borrower's written request and at Borrower's sole cost and expense, execute and deliver (in recordable form, if necessary), such documents as shall be necessary to release, cancel and terminate this Agreement.

8. Appointment. Borrower irrevocably appoints Lender its true and lawful attorney in fact, which appointment is coupled with an interest, to execute any or all of the rights or powers described herein with the same force and effect as if executed by Borrower, and Borrower ratifies and confirms any and all acts done or omitted to be done by Lender, its agents, servants, employees or attorneys in, to or about the Property; provided, however, that Lender shall not exercise any of the rights granted in this paragraph until after the occurrence of an Event of Default and during the continuance thereof.

9. Liability of Lender. Lender shall not in any way be liable to Borrower for any action or inaction of Lender, its employees or agents under this Agreement.

10. Indemnification. Borrower shall indemnify, defend and hold harmless Lender from and against all liability, loss, damage, cost or expense which it may incur under this Agreement or under any of the Leases, including any claim against Lender by reason of any alleged obligation, undertaking, action, or inaction on its part to perform or discharge any terms, covenants or conditions of the Leases or with respect to Rents, and including attorneys' fees and expenses, but excluding any claim to the extent caused by Lender's gross negligence or willful misconduct. Any amount covered by this indemnity shall be payable on demand, and shall bear interest from the date of demand until the same is paid by Borrower to Lender at a rate equal to the Default Rate (as defined in the Loan Agreement).

11. Modification. This Agreement may not be changed orally, but only by an agreement in writing signed by the party against whom enforcement of such change is sought.

12. Successors and Assigns. This Agreement shall inure to the benefit of Lender and its successors and assigns and shall be binding on Borrower and its successors and assigns.

13. Governing Law. THE LOAN AGREEMENT AND THE NOTE PROVIDE THAT THEY ARE GOVERNED BY, AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK. THIS AGREEMENT SHALL ALSO BE CONSTRUED UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. NOTWITHSTANDING THE PARTIES' CHOICE OF NEW YORK LAW, HOWEVER, (I) THE TERMS AND PROVISIONS OF THIS AGREEMENT PERTAINING TO THE PRIORITY, ENFORCEMENT OR REALIZATION BY LENDER OF ITS RESPECTIVE RIGHTS AND REMEDIES UNDER THIS AGREEMENT WITH RESPECT TO THE PROPERTY (OTHER THAN ANY PERSONAL PROPERTY) SHALL BE GOVERNED AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAW OF THE STATE IN WHICH THE LAND IS LOCATED (THE "STATE") WITHOUT GIVING EFFECT TO THE CONFLICTS-OF-LAW RULES AND PRINCIPLES OF THE STATE; (II) WITH RESPECT TO ANY PERSONAL PROPERTY INCLUDED IN THE PROPERTY, PERFECTION, THE EFFECT OF PERFECTION OR NON-PERFECTION AND PRIORITY OF THE SECURITY INTEREST WILL BE GOVERNED IN ACCORDANCE WITH MANDATORY CHOICE OF LAW RULES SET FORTH IN THE UNIFORM COMMERCIAL CODE AS IN EFFECT FROM TIME TO TIME IN THE STATE OF NEW YORK; (III) BORROWER AGREES THAT TO THE EXTENT DEFICIENCY JUDGMENTS ARE AVAILABLE UNDER THE LAWS OF THE STATE AFTER A FORECLOSURE (JUDICIAL OR NONJUDICIAL) OF THE PROPERTY, OR ANY PORTION THEREOF, OR ANY OTHER REALIZATION THEREON BY LENDER, LENDER SHALL HAVE THE RIGHT TO SEEK SUCH A DEFICIENCY JUDGMENT AGAINST BORROWER IN THE STATE (SUBJECT TO THE TERMS AND PROVISIONS OF SECTION 9.24 OF THE LOAN AGREEMENT); AND (IV) BORROWER AGREES THAT IF LENDER OBTAINS A DEFICIENCY JUDGMENT IN ANOTHER STATE, THEN LENDER SHALL HAVE THE RIGHT TO ENFORCE SUCH JUDGMENT IN THE STATE TO THE EXTENT PERMITTED UNDER THE LAWS OF THE STATE, AS WELL AS IN OTHER STATES (SUBJECT TO THE TERMS AND PROVISIONS OF SECTION 9.24 OF THE LOAN AGREEMENT).

14. Conflict. If any conflict or inconsistency exists between the absolute assignment of the Rents and the Leases in this Agreement and the assignment of the Rents and Leases as security in the Mortgage, the terms of this Agreement shall control.

15. Limitation on Liability. Borrower's liability hereunder is subject to the limitation on liability provisions of Section 9.24 of the Loan Agreement.

Executed as of the date first written above.

BORROWER:

ARC COMMUNITIES 16 LLC,
a Delaware limited liability company

By: 

Name: Cody C. Holloway

Title: Assistant Vice President

ACKNOWLEDGMENT

STATE OF Colorado)
)ss.
COUNTY OF Denver)

I, the undersigned, a notary public in and for said county in said state, hereby certify that Cody C. Holloway, whose name as Assistant Vice President of ARC Communities 16 LLC, a Delaware limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such Assistant Vice President and with full authority, executed the same voluntarily for and as the act of said company.

Given under my hand and official seal this 4th day of February, 2004.

[NOTARIAL SEAL]

My commission expires: 7-11-2005

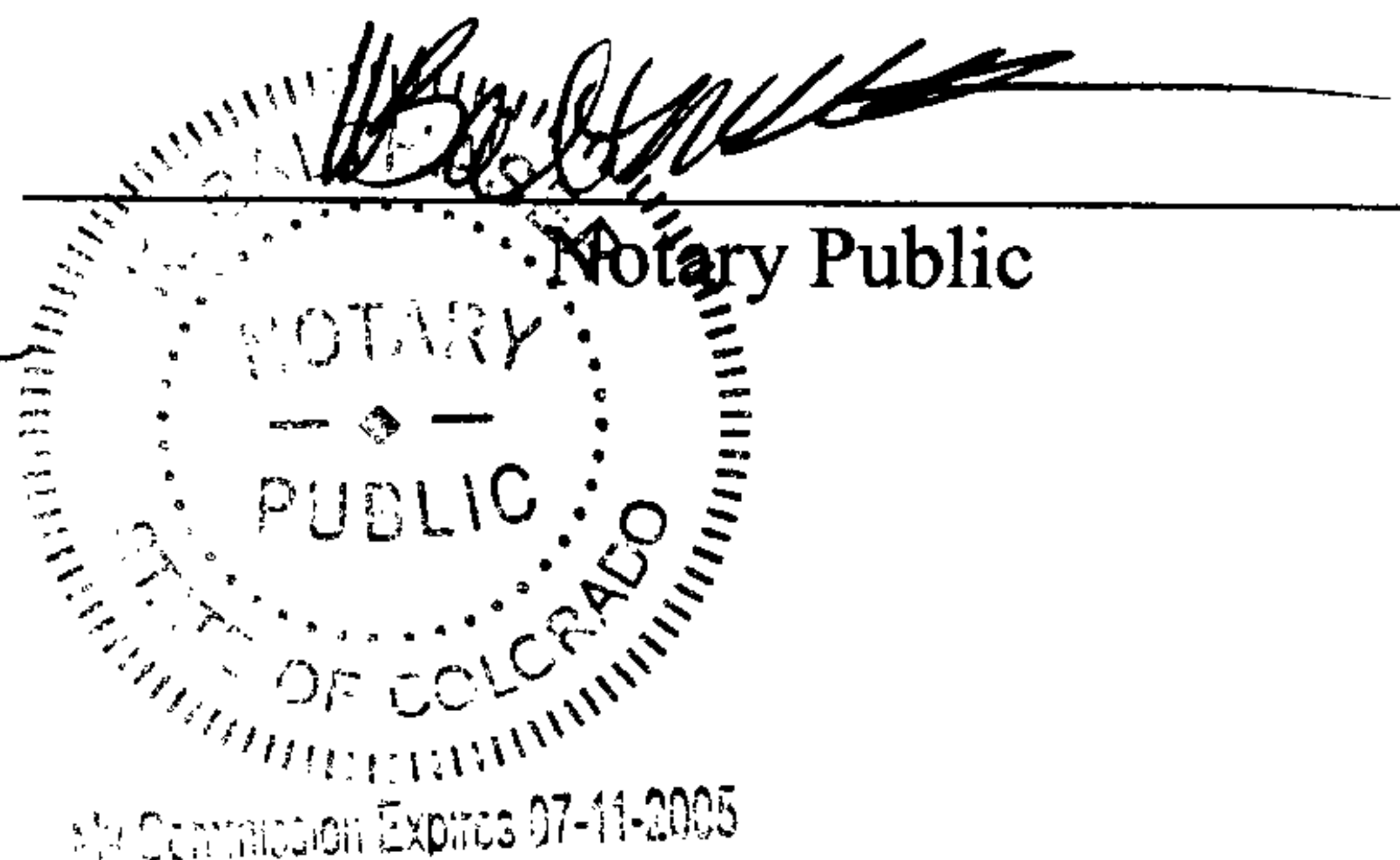


EXHIBIT A

DESCRIPTION OF REAL PROPERTY

A PARCEL OF LAND LOCATED IN SECTION 1, TOWNSHIP 20 SOUTH, RANGE 3 WEST, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NE CORNER OF SAID SECTION 1; THENCE SOUTH ALONG THE EAST LINE THEREOF, A DISTANCE OF 1326.0 FEET; THENCE 45 DEG. 51 MIN. RIGHT, IN A SOUTHWESTERLY DIRECTION A DISTANCE OF 2025.0 FEET; THENCE 90 DEG. RIGHT, IN A NORTHWESTERLY DIRECTION, A DISTANCE OF 682.0 FEET; THENCE 81 DEG. 04 MIN. RIGHT, IN A NORTHEASTERLY DIRECTION, A DISTANCE OF 663.0 FEET; THENCE 90 DEG. LEFT, IN A NORTHWESTERLY DIRECTION, A DISTANCE OF 500.0 FEET; THENCE 90 DEG. RIGHT, IN A NORTHEASTERLY DIRECTION, A DISTANCE OF 1807.34 FEET TO A POINT ON THE NORTH LINE OF SAID SECTION 1; THENCE 55 DEG. RIGHT, IN AN EASTERLY DIRECTION, A DISTANCE OF 844.43 FEET TO THE POINT OF BEGINNING. SITUATED IN SHELBY COUNTY, ALABAMA.

A 50 FOOT WIDE PARCEL OF LAND LOCATED IN THE NW $\frac{1}{4}$ OF THE NW $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 20 SOUTH, RANGE 2 WEST, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE AT THE SW CORNER OF THE NW $\frac{1}{4}$ OF THE NW $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 20 SOUTH, RANGE 2 WEST, THENCE IN A NORTHERLY DIRECTION ALONG THE WESTERLY LINE OF SAID $\frac{1}{4}$ $\frac{1}{4}$ SECTION A DISTANCE OF 25 FEET TO THE POINT OF BEGINNING, SAID POINT BEING IN THE CENTER LINE OF HEREIN DESCRIBED FIFTY FOOT WIDE PARCEL OF LAND, SAID PARCEL BEING 25 FEET EACH SIDE OF HEREIN DESCRIBED CENTER LINE; THENCE 89 DEG. 10 MIN. RIGHT, IN AN EASTERLY DIRECTION, A DISTANCE OF 56.05 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 73 DEG. 32 MIN., AND A RADIUS OF 119.93 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 153.92 FEET TO END OF SAID CURVE AND THE BEGINNING OF A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 23 DEG. 18 MIN. AND A RADIUS OF 242.51 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 98.62 FEET TO END OF SAID CURVE; THENCE NORTHEASTERLY A DISTANCE OF 715.64 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT HAVING A CENTRAL ANGLE OF 16 DEG. 02 MIN. 30 SEC., AND A RADIUS OF 354.83 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, A DISTANCE OF 99.34 FEET TO END OF SAID CURVE; THENCE NORTHEASTERLY A DISTANCE OF 27.50 FEET TO THE BEGINNING OF A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 35 DEG. 26 MIN. 30 SEC. AND A RADIUS OF 313.17 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE A DISTANCE OF 193.72 FEET TO END OF SAID CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 78 DEG. 41 MIN. AND A RADIUS OF 135.26 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE A DISTANCE OF 185.75 FEET TO ITS INTERSECTION WITH THE WESTERLY RIGHT OF WAY LINE OF U.S. HIGHWAY 31 AND END OF HEREIN DESCRIBED 50 FOOT WIDE PARCEL. SITUATED IN SHELBY COUNTY, ALABAMA.

A PARCEL OF LAND LOCATED IN THE W $\frac{1}{2}$ OF THE NW $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 20 SOUTH, RANGE 2 WEST, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN AT THE NW CORNER OF THE SW $\frac{1}{4}$ OF THE NW $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 20 SOUTH, RANGE 2 WEST, SAID POINT BEING ON THE SOUTH RIGHT OF WAY BOUNDARY OF TRAILER PARK ROAD; THENCE EASTERLY ALONG THE NORTH BOUNDARY OF SAID $\frac{1}{4}$ $\frac{1}{4}$ SECTION, WHICH IS ALSO ALONG SAID SOUTH RIGHT OF WAY BOUNDARY 55.69 FEET TO THE POINT OF BEGINNING OF THE ARC OF A CURVE, TANGENT TO LAST MENTIONED COURSE TURNING TO THE LEFT, HAVING A CENTRAL ANGLE OF 73 DEG. 32 MIN. AND A RADIUS OF 144.93 FEET; THENCE EASTERLY AND THENCE NORTHEASTERLY ALONG SAID ARC 186.00 FEET TO THE POINT OF BEGINNING OF ANOTHER CURVE, TURNING TO THE RIGHT, TANGENT TO LAST MENTIONED CURVE, HAVING A CENTRAL ANGLE OF 23 DEG. 18 MIN. AND A RADIUS OF 217.51 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF LAST MENTIONED CURVE 88.45 FEET; THENCE NORTHEASTERLY ALONG A LINE TANGENT TO LAST MENTIONED ARC 17.75 FEET (THE LAST MENTIONED THREE COURSES WERE ALONG SAID SOUTH RIGHT OF WAY BOUNDARY OF TRAILER PARK ROAD); THENCE RIGHT 63 DEG. 30 MIN. IN A

SOUTHEASTERLY DIRECTION 35 FEET, MORE OR LESS, TO THE CENTERLINE OF BISHOP CREEK; THENCE SOUTHWESTERLY ALONG SAID CENTERLINE 486 FEET, MORE OR LESS, TO INTERSECTION WITH THE WEST BOUNDARY OF SAID $\frac{1}{4}$ $\frac{1}{4}$ SECTION: THENCE NORTHERLY ALONG SAID WEST BOUNDARY 173 FEET, MORE OR LESS, TO THE POINT OF BEGINNING. SITUATED IN SHELBY COUNTY, ALABAMA.

CENTERLINE OF 8.00 FEET EASEMENT FOR WALK
BEGIN AT THE NW CORNER OF THE SW $\frac{1}{4}$ OF THE NW $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 20 SOUTH, RANGE 2 WEST; THENCE SOUTHERLY ALONG THE WEST BOUNDARY OF SAID $\frac{1}{4}$ $\frac{1}{4}$ SECTION 58.00 FEET TO THE POINT OF BEGINNING OF CENTERLINE HEREIN DESCRIBED; THENCE 81 DEG. 58 MIN. LEFT IN A SOUTHEASTERLY DIRECTION 28.10 FEET; THENCE 39 DEG. 00 MIN. RIGHT IN A SOUTHEASTERLY DIRECTION 75 FEET, MORE OR LESS, TO INTERSECTION WITH THE CENTERLINE OF BISHOP CREEK, SAID INTERSECTION BEING THE TERMINUS OF CENTERLINE HEREIN DESCRIBED. SITUATED IN SHELBY COUNTY, ALABAMA.

PART OF LOT 1 JH BANKER'S SUBDIVISION AND PART OF THE SE $\frac{1}{4}$ AND THE NE $\frac{1}{4}$ OF THE NE $\frac{1}{4}$ OF SECTION 1, TOWNSHIP 20 SOUTH, RANGE 3 WEST AND THE NW $\frac{1}{4}$ OF THE NW $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 20 SOUTH, RANGE 2 WEST BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:
BEGINNING AT THE SE CORNER OF THE SE $\frac{1}{4}$ OF THE NE $\frac{1}{4}$ OF SECTION 1, TOWNSHIP 20 SOUTH, RANGE 3 WEST, SHELBY COUNTY, ALABAMA AND RUN THENCE NORTH 00 DEG. 02 MIN. 45 SEC. WEST ALONG THE EAST LINE OF SAID $\frac{1}{4}$ $\frac{1}{4}$ SECTION A DISTANCE OF 1,151.65 FEET TO PROPERTY CORNER IN THE CENTERLINE OF BISHOP CREEK; THENCE RUN SOUTH 59 DEG. 29 MIN. 19 SEC. WEST ALONG CENTERLINE OF SAID CREEK 59.70 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 21 DEG. 16 MIN. 11 SEC. WEST ALONG CENTERLINE OF SAID CREEK 159.36 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 56 DEG. 34 MIN. 04 SEC. WEST ALONG CENTERLINE OF SAID CREEK 26.66 FEET TO A PROPERTY CORNER, THENCE RUN ALONG CENTERLINE OF SAID CREEK NORTH 87 DEG. 38 MIN. 50 SEC. WEST A DISTANCE OF 140.35 FEET TO A PROPERTY CORNER; THENCE RUN ALONG THE CENTERLINE OF SAID CREEK NORTH 68 DEG. 19 MIN. 51 SEC. WEST A DISTANCE OF 53.89 FEET TO A PROPERTY CORNER; THENCE RUN NORTH 63 DEG. 53 MIN. 32 SEC. WEST ALONG CENTERLINE OF SAID CREEK 22.40 FEET TO A POINT ON THE DIAGONAL LINE FROM THE NE CORNER OF SUBJECT $\frac{1}{4}$ $\frac{1}{4}$ SECTION TO THE SW CORNER OF SAME SAID $\frac{1}{4}$ $\frac{1}{4}$ SECTION; THENCE CONTINUE NORTH 63 DEG. 53 MIN. 32 SEC. WEST ALONG CENTERLINE OF SAID BISHOP CREEK A DISTANCE OF 101.71 FEET TO A PROPERTY CORNER; THENCE RUN NORTH 70 DEG. 16 MIN. 22 SEC. WEST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 53.59 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 59 DEG. 36 MIN. 19 SEC. WEST ALONG THE CENTERLINE OF SAID CREEK A DISTANCE OF 62.77 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 56 DEG. 48 MIN. 01 SEC. WEST ALONG THE CENTERLINE OF SAID CREEK A DISTANCE OF 65.03 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 40 DEG. 55 MIN. 10 SEC. WEST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 68.06 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 19 DEG. 36 MIN. 18 SEC. WEST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 48.20 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 24 DEG. 14 MIN. 39 SEC. WEST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 56.85 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 29 DEG. 52 MIN. 59 SEC. WEST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 76.33 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 36 DEG. 20 MIN. 45 SEC. WEST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 69.25 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 28 DEG. 20 MIN. 41 SEC. WEST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 50.82 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 35 DEG. 34 MIN. 16 SEC. WEST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 39.42 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 08 DEG. 36 MIN. 24 SEC. EAST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 42.56 FEET TO A PROPERTY CORNER; THENCE RUN SOUTH 32 DEG. 15 MIN. 53 SEC. EAST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 34.40 FEET TO A PROPERTY CORNER ON THE DIAGONAL (SO CALLED TWENTY ACRE LINE) LINE BETWEEN THE NE CORNER OF SAID SE $\frac{1}{4}$ OF THE NE $\frac{1}{4}$ AND THE SW $\frac{1}{4}$ OF SAME SAID $\frac{1}{4}$ $\frac{1}{4}$; THENCE RUN SOUTH 45 DEG. 50 MIN. 56 SEC. WEST ALONG SAID DIAGONAL LINE A DISTANCE OF 809.57 FEET TO A PROPERTY CORNER REPRESENTING THE SW CORNER OF THE SAID SE

1/4 OF THE NE 1/4 OF SAID SECTION 1; THENCE RUN SOUTH 89 DEG. 43 MIN. 11 SEC. EAST ALONG THE SOUTH LINE OF SAID 1/4 1/4 AND THE CENTERLINE OF SAME SAID BISHOP CREEK A DISTANCE OF 610.01 FEET TO A PROPERTY CORNER IN THE CENTERLINE OF SAID CREEK; THENCE RUN NORTH 60 DEG. 22 MIN. 32 SEC. EAST ALONG CENTERLINE OF SAID CREEK A DISTANCE OF 87.16 FEET TO A PROPERTY CORNER IN THE CENTERLINE OF SAID CREEK; THENCE RUN NORTH 67 DEG. 18 MIN. 26 SEC. EAST A DISTANCE OF 101.94 FEET TO A STEEL REBAR PROPERTY CORNER; THENCE RUN SOUTH 67 DEG. 18 MIN. 21 SEC. EAST AND 4.51 FEET NORTH OF AND NEARLY PARALLEL TO AN EXISTING INDUSTRIAL FENCE A DISTANCE OF 764.54 FEET TO A FOUND CRIMPED PIPE CORNER ON THE WESTERLY MARGIN OF U.S. HIGHWAY NO. 31, AKA, PELHAM PARKWAY; THENCE RUN NORTH 27 DEG. 35 MIN. 30 SEC. EAST ALONG SAID MARGIN OF SAID HIGHWAY A DISTANCE OF 73.53 FEET TO A PROPERTY CORNER; THENCE RUN NORTH 67 DEG. 23 MIN. 27 SEC. WEST A DISTANCE OF 173.65 FEET TO A PROPERTY CORNER; THENCE RUN NORTH 36 DEG. 40 MIN. 19 SEC. EAST A DISTANCE OF 46.35 FEET TO A PROPERTY CORNER; THENCE RUN NORTH 35 DEG. 01 MIN. 49 SEC. WEST A DISTANCE OF 48.32 FEET TO A PROPERTY CORNER ON THE EAST LINE OF THE NE 1/4 OF THE SE 1/4 OF SAME SAID SECTION 1; THENCE RUN NORTH 00 DEG. 02 MIN. 19 SEC. WEST ALONG THE EAST LINE OF THE SAID NE 1/4 OF THE SE 1/4 OF SAME SAID SECTION 1 A DISTANCE OF 79.04 FEET TO THE POINT OF BEGINNING. SITUATED IN SHELBY COUNTY, ALABAMA.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PROPERTY:

COMMENCE AT THE NE CORNER OF THE SE 1/4 OF THE NE 1/4 OF SECTION 1, TOWNSHIP 20 SOUTH, RANGE 3 WEST, SHELBY COUNTY, ALABAMA AND RUN THENCE SOUTH 45 DEG. 50 MIN. 56 SEC. WEST A DISTANCE OF 476.34 FEET TO A POINT IN THE CENTERLINE OF BISHOP CREEK AND THE POINT OF BEGINNING OF THE PROPERTY BEING DESCRIBED; THENCE RUN NORTH 63 DEG. 53 MIN. 32 SEC. WEST ALONG THE CENTERLINE OF BISHOP CREEK A DISTANCE OF 101.71 FEET TO A POINT; THENCE RUN NORTH 70 DEG. 16 MIN. 22 SEC. WEST ALONG SAID CENTERLINE OF SAID CREEK 53.59 FEET TO A POINT; THENCE RUN SOUTH 59 DEG. 36 MIN. 19 SEC. WEST ALONG CENTERLINE OF SAID CREEK 62.77 FEET TO A POINT; THENCE RUN SOUTH 56 DEG 48 MIN 01 SEC WEST ALONG CENTERLINE OF SAID CREEK 65.03 FEET TO A POINT; THENCE RUN SOUTH 40 DEG 55 MIN 10 SEC WEST ALONG THE CENTERLINE OF SAID CREEK 68.06 FEET TO A POINT; THENCE RUN SOUTH 19 DEG 36 MIN 18 SEC WEST ALONG CENTERLINE OF SAID CREEK 48.20 FEET TO A POINT; THENCE RUN SOUTH 24 DEG 14 MIN 39 SEC WEST ALONG CENTERLINE OF SAID CREEK 56.85 FEET TO A POINT; THENCE RUN SOUTH 29 DEG 52 MIN 59 SEC WEST ALONG CENTERLINE OF SAID CREEK 76.33 FEET TO A POINT; THENCE RUN SOUTH 36 DEG 20 MIN 45 SEC WEST ALONG CENTERLINE OF SAID BISHOP CREEK 69.25 FEET TO A POINT; THENCE RUN SOUTH 28 DEG 20 MIN 41 SEC WEST ALONG SAID CENTERLINE OF SAID CREEK 50.82 FEET TO A POINT; THENCE RUN SOUTH 35 DEG 34 MIN 16 SEC WEST ALONG CENTERLINE OF SAID CREEK 39.42 FEET TO A POINT; THENCE RUN SOUTH 08 DEG 36 MIN 24 SEC EAST ALONG CENTERLINE OF SAID CREEK 42.56 FEET TO A POINT; THENCE RUN SOUTH 32 DEG 15 MIN 53 SEC EAST ALONG CENTERLINE OF SAID CREEK 34.40 FEET TO A POINT; THENCE RUN NORTH 45 DEG 50 MIN 56 SEC EAST A DISTANCE OF 607.41 TO THE POINT OF BEGINNING SITUATED IN SHELBY COUNTY, ALABAMA

BEGINNING AT THE NE CORNER OF THE SE 1/4 OF THE NE 1/4 OF SECTION 1, TOWNSHIP 20 SOUTH, RANGE 3 WEST, SHELBY COUNTY, ALABAMA AND RUN THENCE SOUTH 45 DEG 50 MIN 56 SEC WEST A DISTANCE OF 476.34 FEET TO A POINT IN THE CENTERLINE OF BISHOP CREEK; THENCE RUN SOUTH 63 DEG 53 MIN 32 SEC EAST ALONG SAID CENTERLINE OF SAID CREEK 22.40 FEET TO A POINT; THENCE RUN SOUTH 69 DEG 19 MIN 51 SEC EAST ALONG SAID CENTERLINE OF SAID CREEK 53.89 FEET TO A POINT; THENCE RUN SOUTH 87 DEG 38 MIN 50 SEC EAST ALONG SAID CENTERLINE OF SAID CREEK 140.35 FEET TO A POINT; THENCE NORTH 56 DEG 34 MIN 04 SEC EAST ALONG SAID CENTERLINE OF SAID CREEK 26.66 FEET TO A POINT; THENCE RUN NORTH 21 DEG 16 MIN 11 SEC EAST

ALONG SAID CENTERLINE OF SAID CREEK 159.36 FEET TO A POINT; THENCE RUN NORTH 59 DEG 29 MIN 19 SEC EAST ALONG CENTERLINE OF SAID CREEK 61.31 FEET TO A POINT ON THE EAST LINE OF SAID SE 1/4 OF NE 1/4 OF SAID SECTION 1; THENCE RUN NORTH 00 DEG 30 MIN 24 SEC WEST ALONG SAID EAST LINE OF SAID 1/4 1/4 A DISTANCE OF 173.00 FEET TO THE POINT OF BEGINNING. SITUATED IN SHELBY COUNTY, ALABAMA.

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Shelby Cnty Judge of Probate, AL
02/27/2004 11:14:00 FILED/CERTIFIED