

Prepared by **Regan Ransom**

Return to:  
**STANCORP MORTGAGE INVESTORS, LLC**  
19225 NW TANASBOURNE DRIVE  
HILLSBORO, OR 97124

ATTN: COMPLIANCE, T3A

SIC Loan No. **A6100720**

### **ASSIGNMENT OF LESSOR'S INTEREST IN LEASES**

THIS ASSIGNMENT OF LESSOR'S INTEREST IN LEASES (this "Assignment") made this **October 30, 2006** is between **Larry C. Martin and Jarrett E. Shadday as tenants in common** ("Assignor") whose address is **2004 Dean Avenue, Rome, GA 30161**, and **Standard Insurance Company, an Oregon corporation**, ("Assignee") whose address is **19225 NW Tanasbourne Drive, Hillsboro, Oregon 97124**.

Assignor, for good and valuable consideration, receipt of which is acknowledged, grants, transfers and assigns to Lender all of Borrower's right, title and interest in and to **any existing and all future recorded and/or unrecorded leases entered into on all or any part of the subject property referenced below during the term of the loan referenced below**, together with (a) all rents, income, contract rights, issues, security deposits and profits arising from the leases and renewals thereof; (b) all rents, income, contract rights, issues, security deposits and profits for the use and occupation of the premises described in the leases or in the mortgage (which term shall be construed to include a mortgage, as the case may be) described below and from all leases upon the real property described below, or any part thereof, which are now executed or which may hereafter during the term of this Assignment be executed; and (c) the guaranties of tenants' performance under the leases, if any. The leases described above, any extensions or renewals thereof and any lease subsequently executed during the terms of this Assignment covering the real property described below are hereinafter collectively referred to as the "Lease".

This Assignment is made for the purpose of securing, in such order of priority as Lender may elect:

- (a) Payment of the indebtedness evidenced by a certain Mortgage Note (the "Note"), including any extensions or renewals thereof, in the original principal sum of **One Million Eight Hundred Twenty Thousand and No/100ths Dollars (\$1,820,000.00)** made by **Assignor first referenced above** to Lender, dated the date hereof and secured by a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing

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**See Exhibit "A" attached hereto and by this reference made a part hereof for legal description.**

The Note may also be secured by a security agreement or agreements covering personal property located on or related to the Real Property and by other security instruments (hereinafter, the "Security Agreements"). The Mortgage, Security Agreement(s) and other security instruments are hereinafter collectively referred to as the "Security Instruments";

- (b) Payment of all other sums with interest thereon becoming due and payable to Lender under the provisions of this Assignment or of the Note or the Security Instruments; and
- (c) Performance and discharge of each and every condition, obligation, covenant, promise and agreement of Borrower contained herein or in the Note or the Security Instruments.

Borrower agrees as follows:

**1. Borrower's Warranties.** Borrower warrants that: (a) Borrower has good title to the Lease hereby assigned and good right to assign the same, and no other person, firm or corporation has any right, title or interest therein; (b) Borrower has duly and punctually performed all the terms, covenants, conditions and warranties of the Lease on Borrower's part to be kept, observed and performed; (c) Borrower has not previously sold, assigned, transferred, mortgaged or pledged the rents from the Real Property, whether now due or hereafter to become due; (d) the Lease is valid and enforceable and has not been altered, modified or amended in any manner whatsoever save as herein set forth; (e) the lessee named therein is not in default under any of the terms, covenants, or conditions thereof; and (f) no rent reserved in the Lease has been assigned or anticipated and no rent for any period subsequent to the date of this Assignment has been collected in advance of the time when the same became due under the terms of the Lease.

**2. Borrower's Covenants of Performance.** Borrower covenants with Lender: (a) to observe and perform all the obligations imposed upon the lessor under the Lease and not to do or permit to be done anything to impair the Lease, this Assignment, or Borrower's obligations hereunder; (b) not to collect any of the rent, income and profit arising or accruing under the Lease or from the Real Property in advance of the time when the same shall become due; (c) not to execute any other assignment of lessor's interest in the Lease or assignment of rents arising or accruing from the Lease or from the Real Property; (d) not to materially alter, modify or change the terms of the Lease or cancel or terminate the same or accept a surrender thereof without the prior written consent of Lender; (e) at Lender's request, to assign and transfer to Lender any and all subsequent leases upon all or any part of the Real Property and to execute and deliver at the request of Lender all such further assurances and assignments as Lender shall from time to time require; (f) to enforce or secure in the name of Lender (upon notice to Lender) the performance of each and every obligation, term, covenant, promise, condition and agreement in the Lease by any tenant to be performed, and to notify



Lender of the occurrence of any default under the Lease; (g) to appear in and defend any action or proceeding arising under, occurring out of, or in any manner connected with the Lease or the obligations, duties or liabilities of Borrower, and, upon request by Lender, to do so in the name and on behalf of Lender, but in all cases at the expense of Borrower; (h) to pay all costs and expenses of Lender, including attorney's fees in a reasonable sum, in any action or proceeding in which Lender may appear in connection herewith or in any appeal therefrom; (i) not to enter into any lease for a term in excess of three (3) years for fifteen percent (15%) or more of the net rentable area of the Real Property without the prior written consent of Lender; and/or (j) neither to create nor permit any lien, charge or encumbrance upon its interest as lessor of the Lease except the lien of the Security Instruments or as permitted in the Security Instruments.

**3. License to Collect Rents.** So long as there shall exist no default by Borrower in the payment of the principal sum, interest and other indebtedness secured hereby and by the Security Instruments or in the performance of any obligation, covenant or agreement herein or contained in the Note and Security Instruments or in the Lease on the part of Borrower to be performed, Borrower shall have the right under a license granted hereby (but limited as provided in the following paragraph) to collect, but not prior to accrual, all of the rents arising from or out of the Lease, or any renewals, extensions and replacements thereof, or from or out of the Real Property or any part thereof; and Borrower shall receive such rents and shall hold them, as well as the right and license to receive them, as a trust fund to be applied, **firstly** to the payment of taxes and assessments upon the Real Property before penalty or interest is due thereon; **secondly** to the cost of insurance, maintenance and repairs required by the terms of any Security Instrument; **thirdly** to the satisfaction of all obligations specifically set forth in the Lease; and **fourthly** to the payment of interest and principal becoming due on the Note and any Security Instrument, before using any part of the same for any other purposes.

**4. Performance and Termination of License.** Upon the conveyance by Borrower and its successors and assigns of the fee title of the Real Property, all right, title, interest and powers granted under the license aforesaid shall automatically pass to and may be exercised by each such subsequent owner; and upon or at any time after default in the payment of any indebtedness secured hereby or in the observance or performance of any obligation, term, covenant, condition or warranty herein, in the Note and any Security Instrument or in the Lease, Lender, at its option and without notice, shall have the complete right, power and authority hereunder to exercise and enforce any or all of the following rights and remedies at any time:

- (a) to terminate the license granted to Borrower to collect the rents without taking possession of the Real Property, and to demand, collect, receive, sue for, attach and levy against the rents in Lender's own name; to give proper receipts, releases and acquittances therefor; and after deducting all necessary and proper costs and expenses of operation and collection as determined by Lender, including attorney's fees, to apply the net proceeds thereof, together with any funds of Borrower deposited with Lender, upon any indebtedness secured hereby and in such order as Lender may determine;



- (b) to declare all sums secured hereby immediately due and payable and, at its option, exercise all or any of the rights and remedies contained in the Note and any Security Instrument;
- (c) without regard to the adequacy of the security or the solvency of Borrower, with or without any action or proceeding through any person or by agent, or by the mortgagee under any Mortgage secured hereby, or by a receiver to be appointed by a court, and without regard to Borrower's possession, to enter upon, take possession of, manage and operate the Real Property or any part thereof, make, modify, enforce, cancel, or accept surrender of any lease now or hereafter in effect on the Real Property or any part thereof; remove and evict any lessee or tenant; increase or decrease rents; decorate, clean and repair; and otherwise do any act or incur any reasonable costs or expenses as Lender shall deem proper to protect the security hereof, as fully and to the same extent as Borrower could do if in possession; and in such event, to apply the rents so collected in such order as Lender shall deem proper to the operation and management of the Real Property, including the payment of reasonable management, brokerage and attorneys fees, payment of the indebtedness under the Note and any Security Instrument, and payment to a reserve fund for replacements, which fund shall not bear interest; and
- (d) require Borrower to transfer all security deposits to Lender, together with all records evidencing such deposits.

**5. Default Not Cured By Collection.** The collection of rents and application as aforesaid and/or the entry upon and taking possession of the Real Property shall not cure or waive any default; or waive, modify or affect any notice of default required under the Note and any Security Instrument; or invalidate any act done pursuant to such notice. The enforcement of any right or remedy by Lender, once exercised, shall continue until Lender shall have collected and applied such rents as may have cured (for the time) the original default. Although the original default be cured and the exercise of any such right or remedy be discontinued, the same or any other right or remedy hereunder shall not be exhausted and may be reasserted at any time and from time to time following any subsequent default. The rights and powers conferred on Lender hereunder are cumulative and not in lieu of any other rights and powers otherwise granted Lender.

**6. Effect of Assignment.** The acceptance by Lender of this Assignment, with all of the rights, powers, privileges and authority so created, shall not, prior to entry upon and taking possession of the Real Property by Lender, be deemed or construed to constitute Lender a "Mortgagee in Possession".

Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to let the Real Property after default or from any act or omission of Lender in managing the Real Property after default unless such loss is caused by the willful misconduct and bad faith of Lender. Lender shall not be obligated to perform or discharge, nor does Lender undertake to perform or discharge, any obligation, duty, or liability under the Lease or under or by reason of this Assignment, or to assume any obligation or responsibility for any security deposits or other deposits delivered to



Borrower by any lessee and not assigned and delivered to Lender. This Assignment shall not operate to place responsibility for the control, care, management or repair of the Real Property upon Lender, nor for the carrying out of any of the terms and conditions of the Lease; nor shall it operate to make Lender responsible or liable for any waste committed on the Real Property by the tenants or any parties or for any dangerous or defective condition of the Real Property, or for any negligence in the management, upkeep, repair or control of the Real Property, resulting in loss or injury or death to any tenant, licensee, employee or stranger.

**7. Indemnification.** Borrower hereby agrees to defend, indemnify and hold Lender harmless from any and all liability, loss, damage and expense which Lender may incur under or by reason or in defense of any and all claims and demands whatsoever that may be asserted against Lender by third parties arising out of the Lease, including, but not limited to, any claims by any tenants of credit for rental for any period under any lease more than one (1) month in advance of the due date thereof paid to and received by Borrower, but not delivered to Lender. Should Lender incur any such liability, loss, damage or expense, the amount thereof (including attorneys fees, whether incurred at trial, on appeal or otherwise) with interest thereon at the Default Rate (as defined in the Note) shall be payable by Borrower to Lender immediately without demand, and shall be secured hereby and by the Security Instruments.

**8. Termination of Assignment, Payment of Rent.** Upon payment in full of the principal sum, interest and indebtedness secured hereby and by the Security Instruments, this Assignment shall become null and be void and of no effect, but the affidavit, certificate, letter or statement of any officer, agent or attorney of Lender showing any part of said principal, interest or indebtedness to remain unpaid shall be and constitute conclusive evidence of the validity, effectiveness and continuing force of this Assignment and any person may, and is hereby authorized to, rely thereon. Borrower hereby authorizes and directs the lessee named in the Lease or any other or future lessee or occupant of the premises described therein or in the Mortgage, upon receipt from Lender of written notice to the effect that Lender is then the holder of the Note and Security Instruments and that a default exists thereunder or under this Assignment, to pay over to Lender all rents, income, contract rights, issues, security deposits and profits arising or accruing under the Lease or from the premises described therein or in the Mortgage and to continue to do so until otherwise notified by Lender.

**9. Lender's Right to Deal With Security.** Lender may take or release other security for the payment of the principal sum, interest and other indebtedness secured hereby and by the Security Instruments, may release any party primarily or secondarily liable therefor and may apply any other security held by it to the satisfaction of such principal sum, interest or indebtedness without prejudice to any of its rights under this Assignment.


**10. Cross Default.** Breach of any term, covenant, or condition herein contained by Borrower shall likewise constitute a default under the Note and each of the Security Instruments, and a default under any of said documents shall constitute a default hereunder.

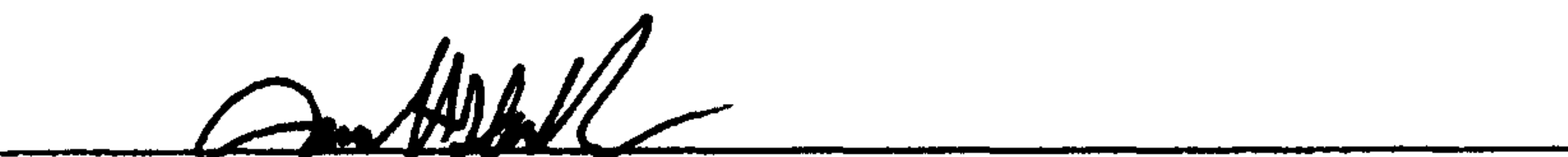
**11. No Waiver.** Nothing contained in this Assignment and no act done or omitted by Lender pursuant to the powers and rights granted it hereunder shall be deemed to be a waiver by



**17. Assignment Binds Successors.** This Assignment, together with the covenants and warranties herein contained, shall inure to the benefit of Lender and any subsequent holder of the Note and Mortgage and shall be binding upon Borrower, Borrower's heirs, executors, administrators, personal representatives, successors and assigns, all tenants and their subtenants and assigns, and any subsequent owner of premises described in the Mortgage.

**SIGNATURE OF ASSIGNOR**

  
Larry C. Martin

  
Jarrett E. Shadday

**ACKNOWLEDGMENTS FOR EACH ASSIGNOR MUST BE ATTACHED  
IN SIZE AND FORM AS REQUIRED BY STATE LAW.**

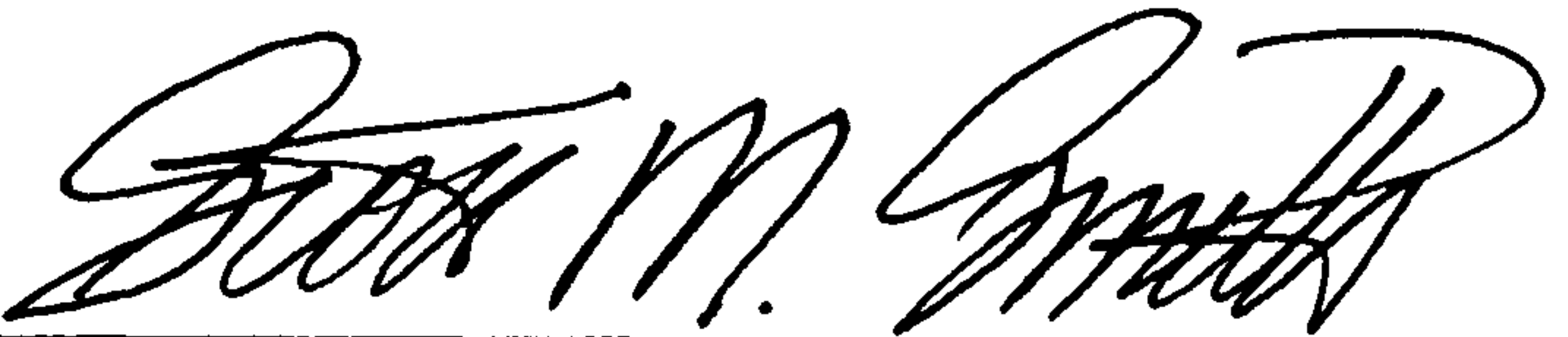
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Shelby Cnty Judge of Probate, AL  
12/28/2006 01:10:19PM FILED/CERT

STATE OF GEORGIA

COUNTY OF FLOYD

On this 17<sup>th</sup> day of November in the year 2006 before me, the undersigned, a Notary Public in and for said State, personally appeared Larry C. Martin and Jarrett E. Shadday personally known to me, who being duly sworn did acknowledge before me that they executed the within instrument in their individual capacity, and that by their signatures on the instrument, the said Larry C. Martin and Jarrett E. Shadday in their individual capacity executed the instrument.





Notary Public

My Commission Expires: 6-14-2010



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Shelby Cnty Judge of Probate, AL  
12/28/2006 01:10:19PM FILED/CERT

**EXHIBIT "A"**  
**LOAN NO. A6100720**  
**DATED: October 30, 2006**

**LEGAL TO FOLLOW.**





20061228000633120 9/9 \$35.00  
Shelby Cnty Judge of Probate, AL  
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**EXHIBIT "A"**  
**LOAN NO. A6100720**  
**DATED: October 30, 2006**

**A tract of land situated within the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 31, Township 19 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows:**

**Commence at the Southwest corner of the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 31, Township 19 South, Range 2 West, Shelby County, Alabama; thence run North 00 degree(s) 04 minute(s) 56 second(s) East along the West line of the Northeast  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  for a distance of 541.25 feet to a point; thence run North 55 degree(s) 42 minute(s) 20 second(s) East for a distance of 600.66 feet to a point on the Northwestern right-of-way margin of Alabama Highway # 119 said point being the true point of beginning; thence run North 44 degree(s) 27 minute(s) 33 second(s) West for a distance of 349.80 feet to a point on the South right-of-way margin of Cahaba Valley Parkway; thence run North 66 degree(s) 06 minute(s) 04 second(s) East along said right-of-way margin for a distance of 424.84 feet to a point on the West right-of-way margin of Interstate Highway 65 Service Road; thence run South 05 degree(s) 49 minute(s) 19 second(s) West along said right-of-way margin for a distance of 350.00 feet to a point on the Northwestern right-of-way margin of Alabama Highway # 119; thence run South 55 degree(s) 42 minute(s) 20 second(s) West for a distance of 130.65 feet to a point and back to the true point of beginning.**