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ASSIGNMENT OF RENTS AND LEASES

STONE CREST APARTMENTS ALABAMA, LLC,

as Assignor

to

RAIT PARTNERSHIP, L.P.,

as Assignee

Dated Effective as of February 15, 2007

PREPARED BY AND UPON RECORDATION RETURN TO:

Ledgewood, a professional corporation
1900 Market Street, Suite 750
Philadelphia, Pennsylvania 19103
Attention: Brian L. Murland, Esquire

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES (this "Assignment"), made as of February 15, 2007, is by STONE CREST APARTMENTS ALABAMA, LLC, a Delaware limited liability company ("Assignor"), in favor of RAIT PARTNERSHIP, L.P., a Delaware limited partnership ("Lender").

BACKGROUND

A. Reference is made to the Background set forth in the Loan and Security Agreement of even date herewith between Assignor and Lender (together with all amendments, restatements and other modifications, the "Loan Agreement"), which is hereby incorporated herein. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Loan Agreement. In the event of any conflict between the terms of the Loan Agreement and this Assignment, the terms of the Loan Agreement shall control.

B. Lender is not willing to make the Loan, or otherwise extend credit, to Assignor unless Assignor enters into this Assignment.

NOW, THEREFORE, based upon the foregoing Background in this Assignment, which the parties agree to be true and correct, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Assignor agrees as follows:

1. Assignment. Assignor hereby presently, irrevocably, absolutely and unconditionally assigns and grants to Lender the following property, rights, interests and estates, now owned, or hereafter acquired by Assignor:

(a) All existing and future leases affecting the use, enjoyment, or occupancy of all or any part of the Property located in the County of Shelby, State of Alabama (as described on Exhibit A attached hereto and made a part hereof), together with any extension, renewal or replacement of the same, and the right, title and interest of Assignor, its successors and assigns, therein and thereunder;

(b) All other leases and other agreements, whether or not in writing, affecting the use, enjoyment or occupancy of the Property or any portion thereof now or hereafter made, together with any extension, renewal or replacement of the same, this assignment of other present and future leases and present and future agreements being effective without further or supplemental assignment (the leases described in Section 1(a) and the leases and other agreements described in this Section 1(b), together with all other present and future leases and present and future agreements and any extension or renewal of the same are collectively referred to as the "Leases");

(c) All rents, additional rents, income, profits, revenues, proceeds, deposits,

rights and benefits arising from the Leases and renewals and replacements thereof and any cash or security deposited in connection therewith and together with all rents, revenues, income, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the use, enjoyment and occupancy of the Property (collectively, the "Rents");

(d) All of Assignor's claims and rights (the "Bankruptcy Claims") to the payment of damages arising from any rejection by a lessee of any Lease under the Bankruptcy Code;

(e) All of Assignor's right, title and interest in and to claims under any and all lease guaranties, letters of credit and any other credit support given by any guarantor or any other party in connection with any of the Leases (individually, a "Lease Guaranty", and collectively, the "Lease Guaranties");

(f) All proceeds from the sale or other disposition of the Leases, Rents, Lease Guaranties and Bankruptcy Claims;

(g) All rights, powers, privileges, options and other benefits of Assignor as lessor under the Leases and beneficiary under the Lease Guaranties, including, without limitation, the immediate and continuing right to make claims for, receive, collect and receipt for, all Rents payable or receivable under the Leases and all sums payable under the Lease Guaranties or pursuant thereto (and to apply the same to the repayment of the Loan), and to do all other things which Assignor or any lessor is or may become entitled to do under the Lease or the Lease Guaranties;

(h) Assignor's option to enter upon the Property in person, by agent or by court-appointed receiver, to collect the Rents; and

(i) Any and all other rights of Assignor in and to the foregoing, and all amendments, modifications, replacements, renewals and substitutions thereof.

2. Present Assignment and License Back. It is intended by Assignor that this Assignment constitute a present, absolute assignment of the Leases, Rents, Lease Guaranties and Bankruptcy Claims, and not an assignment for additional security only. Nevertheless, subject to the terms of this Section, Lender grants to Assignor a revocable license to collect and receive the Rents and other sums due under the Lease Guaranties. Assignor shall hold the Rents and all sums received pursuant to any Lease Guaranty, or a portion thereof sufficient to discharge all current sums due on the Loan, in trust for the benefit of Lender for use in the payment of such sums. It is understood and agreed by the parties hereto that, in the absence of an Event of Default hereunder or under any of the other Loan Documents, or an event which with the passage of time and/or giving of notice would constitute an Event of Default hereunder or under any of the other Loan Documents, Assignor shall have the privilege to collect the Rents and to retain, use and enjoy the same.

3. Performance by Assignor.

(a) Notwithstanding this Assignment, Assignor shall remain liable for any obligations undertaken by it pursuant to any Lease. Lender may elect, in its sole discretion, to assume any and all such obligations of Assignor under any Lease by written notice to the tenant under such Lease with a copy to Assignor; provided, however, that Assignor shall remain liable for such obligations notwithstanding such election by Lender.

(b) Notwithstanding any legal presumption to the contrary, Lender shall not be obligated by reason of acceptance of this Assignment to perform any obligation of Assignor under the Leases. This Assignment shall not place responsibility for the control, care, management, upkeep, operation or repair of all or any part of the Property upon Lender, or make Lender liable or responsible for any negligence in the control, care, management, upkeep, operation or repair of all or any part of the Property resulting in loss or injury or death to any tenant, licensee, employee or other person or loss of or damage to the property of any of the foregoing.

(c) Assignor hereby agrees to defend, indemnify and hold harmless Lender from any and all claims, liability, loss or damage, costs and expenses (including reasonable attorneys' fees) arising from any claims by any tenant under any Lease, except for actions arising solely by reason of Lender's negligence.

(d) Assignor agrees that it will faithfully observe, discharge and perform all of the obligations and agreements imposed upon Assignor under the Leases. Assignor shall not do any of the following without the prior written consent of Lender, which will not be unreasonably withheld or delayed: (i) consent to any cancellation, extension or assignment or material modification or alteration of any of the Leases, except in the normal course of business and consistent with sound and customary leasing and management practices for similar properties; (ii) reduce, waive or defer payment of the Rent under any of the Leases; (iii) collect or accept payment of any of the Rents arising or accruing under any Lease more than one (1) month in advance of the time when the same shall become due under the terms of such Lease; or (iv) waive or release any tenant from any material obligation or condition under any of the Leases. All Leases shall be (i) at a rental and on terms consistent with the terms for similar leases in the market area of the Property and (ii) written on a standard form approved by Lender. Assignor shall at all times promptly and faithfully perform its obligations and agreements contained in all Leases. Assignor shall enforce all terms and conditions under the Leases.

4. Representations and Warranties. Assignor represents and warrants to Lender as follows:

(a) Assignor has good title to and full right to assign the Leases, Rents and Lease Guaranties and no other assignment of any interest in any of the Leases, Rents and/or Lease Guaranties has been made.

(b) Each Lease now in existence is in full force and effect according to its

terms. There is no existing default by Assignor or any tenant under the provisions of any of the Leases. No event has occurred that, with the passage of time, the giving or failure to give notice, or both, would constitute a default under any of the Leases.

5. Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default (an "Event of Default") hereunder:

- (a) a material violation of any of the covenants, representations or provisions contained herein;
- (b) a default by Assignor under the terms of the Leases; or
- (c) an event of default (or Event of Default) under any of the other Loan Documents.

6. Remedies. Upon the occurrence of an Event of Default, Lender shall be entitled to exercise any one or more of the following rights, powers and remedies:

- (a) The license granted to Assignor in Section 2 hereof shall automatically be revoked, and Lender shall immediately be entitled to possession of all Rents and sums due under any Leases and/or Lease Guaranties, whether or not Lender enters upon or takes control of the Property.
- (b) Take over and dispossess Assignor and its agents from the Property, without liability for trespass, damages or otherwise, and exclude Assignor and its agents wholly therefrom, and take possession of the Property and all books, records and accounts relating thereto.
- (c) Notify tenants at the Property to pay all Rents to Lender and to collect, in its own name or in the name of Assignor, all Rents accrued but unpaid and in arrears as of the date of such Event of Default, as well as the Rents which thereafter become due and payable. Assignor hereby authorizes and directs the tenants under the Leases, upon receipt of written notice from Lender, to pay to Lender any and all Rents due thereunder without the necessity of any inquiry to Assignor and notwithstanding any claim by Assignor to the contrary. Assignor further agrees that it shall facilitate in all reasonable ways Lender's collection of the Rents and will, upon the request of Lender, execute and deliver a written notice to each tenant under the Leases directing such tenants to pay the Rents to Lender. Assignor shall have no right or claim against any parties to any Lease who make payment to Lender after receipt of written notice from Lender requesting same.
- (d) Take over and assume the management, operation and maintenance of the Property and perform in its own name or in the name of Assignor, all acts necessary and proper, and expend such sums out of the income of the Property as may be necessary in connection therewith, including the right to enter into new Leases, to cancel existing Leases, to alter or

amend the terms of existing Leases, to renew existing Leases or to make concessions to the parties thereto.

(e) Endorse as Assignor's attorney-in-fact, Assignor's name on all checks, drafts and similar forms of payment received in payment of the Rents. The aforesaid power of attorney, being for security, shall be deemed coupled with an interest and shall be irrevocable.

(f) After payment of all proper charges and expenses, including reasonable compensation to such managing agent as Lender may select or employ, and after the accumulation of a reserve to meet taxes, assessments, water and fire and liability insurance in requisite amounts, Lender shall credit the net proceeds received by it from the Property by virtue of this Assignment to any amounts due and owing to Lender under the terms of the Loan Documents, provided that the manner of application of such proceeds and the items to be credited shall be determined in the sole discretion of Lender. Lender shall not be accountable for more monies than it actually receives from the Property, nor shall it be liable for failure to collect any Rents.

6. Other Remedies. Nothing contained in this Agreement and no act done or omitted by Lender pursuant to the power and rights granted to Lender hereunder shall be deemed to be a waiver by Lender of its rights and remedies under the Note, the Security Instrument or the other Loan Documents, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Lender under the terms thereof. The right of Lender to collect the Loan and to enforce any other security therefore held by it may be exercised by Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder.

7. List of Leases. Assignor shall, upon the request of Lender, furnish a complete list, as of the date of such request, of all Leases and provide such further reasonable detail as may be requested by Lender. Further, as requested by Lender, Assignor shall deliver to Lender executed or certified copies of all Leases, and all correspondence and memoranda relating thereto. Such requests may be made at any reasonable time. Monthly requests, or more frequent requests if made after an Event of Default under this Assignment, shall be deemed to be reasonable.

8. No Mortgagee in Possession. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession" in the absence of the taking of actual possession of the Property by Lender. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Assignor.

9. Miscellaneous.

(a) Waiver of Notice. Assignor hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Assignment does not specifically and expressly provide for the giving of notice by Lender to Assignor. No release of any security for the Loan or one or more extensions of time for payment of the Note or any

installment thereof, and no alteration, amendment or waiver of any provision of this Assignment, the Note or the other Loan Documents made by agreement between Lender or any other person, shall release, modify, amend, waive, extend, change, discharge, terminate or affect the liability of Assignor or any other person who may become liable for the payment of all or any part of the Loan under the Note, this Assignment or the other Loan Documents.

(b) Jurisdiction; Court Proceedings. Assignor, to the fullest extent permitted by law, hereby knowingly, intentionally and voluntarily, with and upon the advice of competent counsel, (i) submits to personal, nonexclusive jurisdiction in the Commonwealth of Pennsylvania with respect to any suit, action or proceeding by any person arising from, relating to or in connection with the Loan Documents or the Loan, (ii) agrees that any such suit, action or proceeding may be brought in any state or federal court of competent jurisdiction sitting in Philadelphia, Pennsylvania, (iii) submits to the jurisdiction of such courts, (iv) agrees that it will not bring any action, suit or proceeding in any forum other than Philadelphia, Pennsylvania (but nothing herein shall affect the right of Lender to bring any action, suit or proceeding in any other forum), (v) irrevocably agrees not to assert any objection which it may ever have to the laying of venue of any such suit, action or proceeding in any federal or state court located in Pennsylvania and any claim that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum, and (vi) consents and agrees to service of any summons, complaint or other legal process in any such suit, action or proceeding by registered or certified U.S. mail, postage prepaid, to Assignor, at the address for notices described herein and consents and agrees that such service shall constitute in every respect valid and effective service (but nothing herein shall affect the validity or effectiveness of process served in any other manner permitted by law).

(c) Waiver of Jury Trial. ASSIGNOR, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING, INCLUDING ANY TORT ACTION, BROUGHT BY ANY PARTY TO THE LOAN DOCUMENTS AGAINST ANY OTHER BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO OR IN CONNECTION WITH THE LOAN DOCUMENTS, THE LOAN OR ANY COURSE OF CONDUCT, ACT, OMISSION, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON (INCLUDING, WITHOUT LIMITATION, SUCH PERSON'S DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH SUCH PERSON), IN CONNECTION WITH THE LOAN OR THE LOAN DOCUMENTS, INCLUDING ANY COUNTERCLAIM WHICH ASSIGNOR MAY BE PERMITTED TO ASSERT THEREUNDER OR WHICH MAY BE ASSERTED BY LENDER OR ITS AGENTS AGAINST ASSIGNOR, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THIS WAIVER BY ASSIGNOR OF ITS RIGHT TO A JURY TRIAL IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN.

(d) Offsets, Counterclaims and Defenses. Assignor hereby knowingly waives the right to assert any counterclaim, other than a compulsory counterclaim, in any action or proceeding brought against Assignor by Lender. Any assignee of the Loan Documents or any successor of Lender shall take the same free and clear of all offsets, counterclaims or defenses which Assignor may otherwise have against any assignor of the Loan Documents, and no such unrelated counterclaim or defense shall be interposed or asserted by Assignor in any action or proceeding brought by any such assignee under such Loan Document. Any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Assignor.

(e) Voluntary Agreement. ASSIGNOR HEREBY REPRESENTS AND WARRANTS THAT ASSIGNOR IS FULLY AWARE OF THE TERMS CONTAINED IN THE LOAN DOCUMENTS AND THAT ASSIGNOR HAS VOLUNTARILY AND WITHOUT COERCION OR DURESS OF ANY KIND ENTERED INTO THE LOAN DOCUMENTS TO WHICH IT IS A PARTY.

(f) Further Assurances. Assignor agrees that it will execute and deliver such further instruments and perform such further acts as may be reasonably requested by Lender from time to time to confirm the provisions of any Loan Document to which it is a party, to carry out more effectively the purposes of this Loan Agreement or the Loan Documents, or to confirm the priority of the conveyance created by the Loan Documents on any property, rights or interest encumbered or intended to be conveyed by any of the Loan Documents.

(g) Waiver. Assignor hereby waives and releases all errors, defects and imperfections in any proceedings instituted by Lender under the Loan Documents, as well as all benefit that might accrue to Assignor by virtue of any present or future laws exempting any property, real or personal, or any part of the proceeds arising from any sale of such property, from attachment, levy, or sale under execution, or providing for any stay of execution, exemption from civil process, or extensions of time for payment.

(h) Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Alabama.

10. Rules of Construction. This Assignment is governed by and hereby incorporates by reference the Rules of Construction contained in the Loan Agreement, which shall apply with the same effect as though fully set forth herein.

[SIGNATURE APPEARS ON FOLLOWING PAGE]



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Shelby Cnty Judge of Probate, AL
02/27/2007 03:29:56PM FILED/CERT

Assignor has caused this Assignment of Rents and Leases under seal effective as of the day and year first above mentioned;

ASSIGNOR:

STONE CREST APARTMENTS ALABAMA,
LLC, a Delaware limited liability company

By:  [SEAL]

Name: Richard J. Nathan

Title: President

STATE OF California)

COUNTY OF Los Angeles)

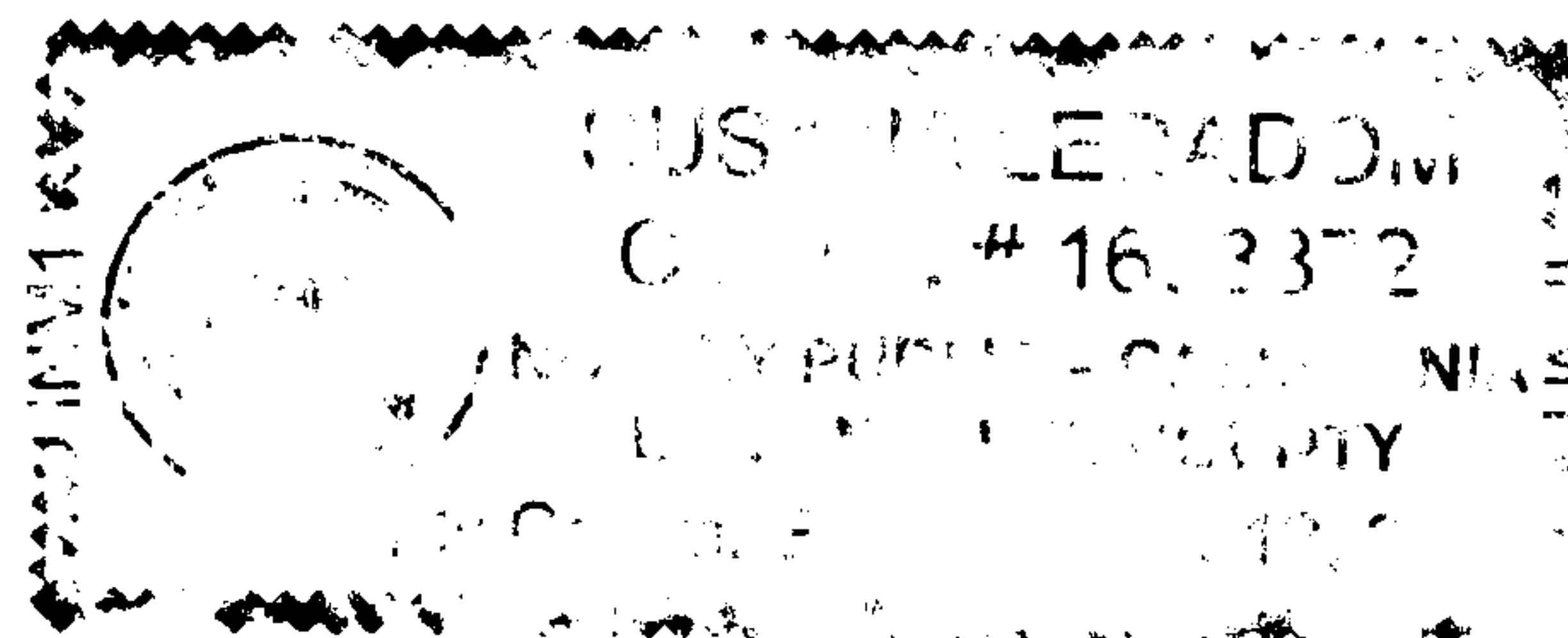
I, the undersigned Notary Public in and for said County, in said State, hereby certify that Richard J. Nathan, whose name as President of Stone Crest Apartments Alabama, LLC, a Delaware limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such 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 10th day of February, 2007.



Notary Public

My Commission Expires: 9/12/10



CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

STATE OF California)SS
COUNTY OF LOS ANGELES)

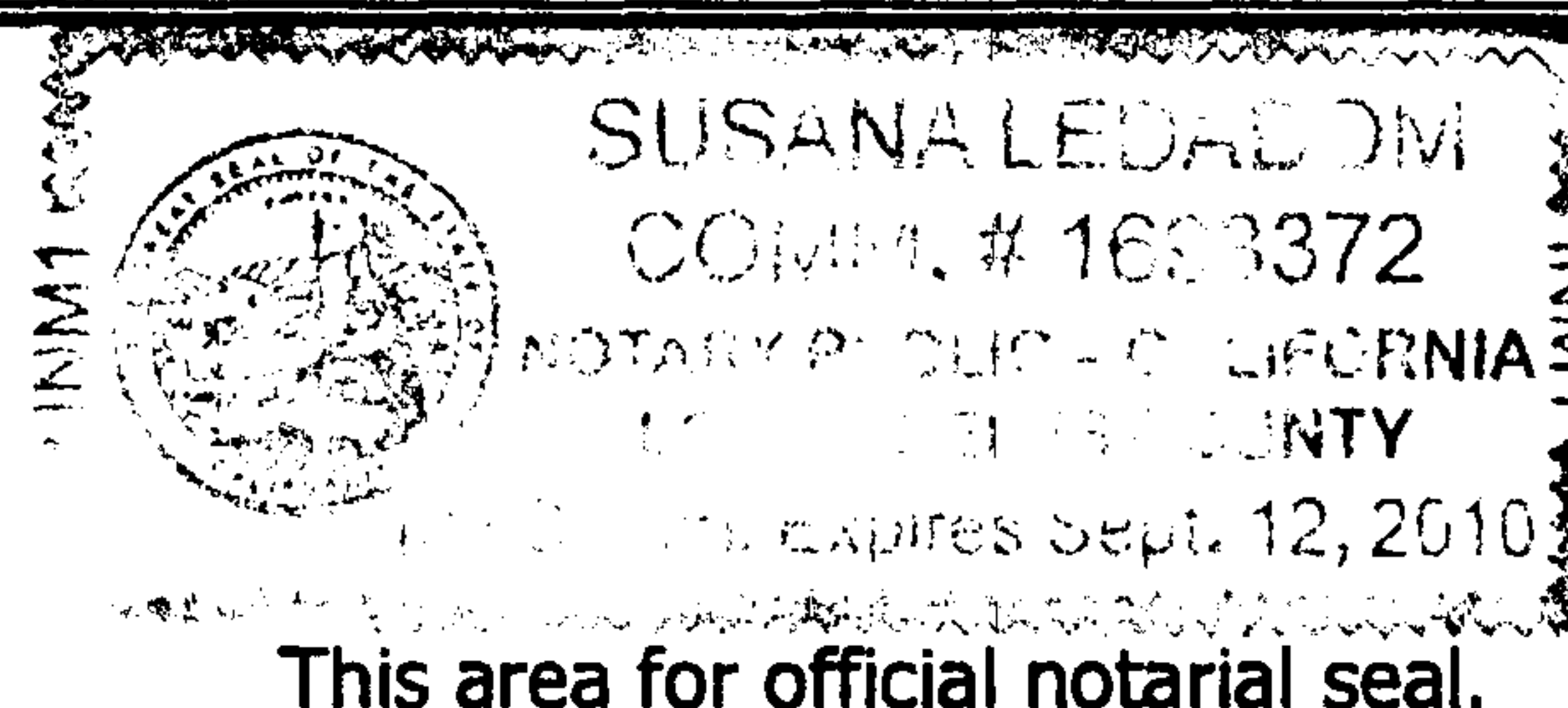
File No: ()
APN No:

On FEBRUARY 10, 2007 before me, SUSANA LEDADOM, Notary Public, personally appeared
RICHARD J. NATHAN

personally known to me (~~or proved to me on the basis of satisfactory evidence~~) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~) and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____



This area for official notarial seal.

OPTIONAL SECTION CAPACITY CLAIMED BY SIGNER

Though statute does not require the Notary to fill in the data below, doing so may prove invaluable to persons relying on the documents.

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER(S) TITLE(S)
☐ PARTNER(S) ☐ LIMITED ☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER

SIGNER IS REPRESENTING:

Name of Person or Entity

Name of Person or Entity

OPTIONAL SECTION

Though the data requested here is not required by law, it could prevent fraudulent reattachment of this form.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED BELOW

TITLE OR TYPE OF DOCUMENT: _____

NUMBER OF PAGES _____ DATE OF DOCUMENT _____

SIGNER(S) OTHER THAN NAMED ABOVE _____

EXHIBIT A

Legal Description of the Property



20070227000089710 11/12 \$44.00
Shelby Cnty Judge of Probate,AL
02/27/2007 03:29:56PM FILED/CERT

LEGAL DESCRIPTION

PARCEL I:

Commence at the Northwest corner of the Southeast quarter of the Northeast quarter of Section 5, Township 19 South, Range 1 West, Shelby County, Alabama: Thence run South along the West line of said quarter-quarter section for a distance of 929.63 feet to the point of beginning. From said point of beginning, continue South along the last described course for a distance of 263.72 feet; thence turn an angle to the left of 91 degrees 03 minutes 21 seconds and leaving said West line run in an Easterly direction for a distance of 672.12 feet; thence turn an angle to the left of 88 degrees 46 minutes 58 seconds and run in a Northerly direction for a distance of 263.72 feet; thence turn an angle to the left of 91 degrees 13 minutes 18 seconds and run in a Westerly direction for a distance of 672.86 feet to the point of beginning of the herein described parcel of land.

PARCEL II:

Commence at the Northwest corner of the Southeast quarter of the Northeast quarter of Section 5, Township 19 South, Range 1 West, Shelby County, Alabama: Thence run South along the West line of said quarter-quarter section for a distance of 1193.35 feet to the point of beginning. From said point of beginning, continue South along the last described course for a distance of 792.25 feet; thence turn an angle to the left of 90 degrees 59 minutes 46 seconds and leaving said West line run in an Easterly direction for a distance of 669.66 feet; thence turn an angle to the left of 88 degrees 52 minutes 46 seconds and run in a Northerly direction for a distance of 793.47 feet; thence turn an angle to the left of 91 degrees 13 minutes 02 seconds and run in a Westerly direction for a distance of 672.12 feet to the point of beginning of the herein described parcel of land.

PARCEL III:

Commence at the Northwest corner of the Southeast quarter of the Northeast quarter of Section 5, Township 19 South, Range 1 West, Shelby County, Alabama: Thence run South along the West line of said quarter-quarter section and the West line of the Northeast quarter of the Southeast quarter of said Section 5 for a distance of 1985.60 feet to the point of beginning. From said point of beginning, continue South along the described course for a distance of 663.95 feet to the Southwest corner of the Northeast quarter of the Southeast quarter of said Section 5; thence turn an angle to the left of 91 degrees 04 minutes 32 seconds and leaving said West line run in an Easterly direction for a distance of 668.24 feet; thence turn an angle to the left of 88 degrees 47 minutes 59 seconds and run in a Northerly direction for a distance of 663.05 feet; thence turn an angle to the left of 91 degrees 07 minutes 14 seconds and run in a Westerly direction for a distance of 669.66 feet to the point of beginning of the herein described parcel of land. Together with those certain easements recorded in Shelby Instrument # 1996-17259 and Shelby Instrument # 1996-17260.

PARCEL IV:

Non-Exclusive easement for the benefit of Parcels I, II & III for the purpose of slope, drainage and access, as created by those certain easement agreements recorded in Shelby Instrument Number 1996-17259 and Shelby Instrument Number 1996-17260, over, under and across the property described herein.