

Return to: Armstrong Allen, PLLC  
6060 Poplar Avenue Suite 140  
Memphis, TN 38119  
Attn: Alan L. Kosten

P BK 91 PG 377

STATE MS.-DESOTO CO.  
FILED

ASSIGNMENT OF LEASES AND RENTS

OCT 5 12 42 PM '01

BRADFORD MS II, LLC,

BK 91 PG 377  
W. DESOTO CO. MS. CLK.

AS ASSIGNOR

AND

DEUTSCHE BANC MORTGAGE CAPITAL, L.L.C.

AS ASSIGNEE

County: De Soto  
State: Mississippi

*NOT AVAILABLE*

Record and Return to:  
Winston & Strawn  
200 Park Avenue  
New York, New York 10166  
Attention: Jason Dickens

**ASSIGNMENT OF LEASES AND RENTS** ("Assignment") made as of October 4, 2001 by BRADFORD MS II, LLC, a Mississippi limited liability company, with an office located at P.O. Box 40088, Memphis, Tennessee 38174 ("Assignor"), in favor of DEUTSCHE BANC MORTGAGE CAPITAL, L.L.C., a Delaware limited liability company ("Assignee"), whose address is 31 West 52nd Street, 10th Floor, New York, New York 10019.

Assignor owns the real property and the improvements described on Exhibit A ("Property") and has delivered to Assignee a Promissory Note in the amount of \$10,350,000.00 ("Note") and a Deed of Trust and Security Agreement ("Deed of Trust"). The Note, the Deed of Trust and all other instruments evidencing, securing or relating thereto, hereinafter referred to collectively as the "Loan Documents".

1. To further secure Assignor's obligations under the Loan Documents, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Assignor does irrevocably, absolutely and unconditionally transfer, assign and pledge to Assignee all of Assignor's right, title and interest in and to:
  - (i) any and all leases and occupancy agreements now or hereafter affecting all or part of the Property and all guarantees, extensions, renewals and replacements thereof (collectively, "Leases"); and
  - (ii) all deposits (whether for security or otherwise), rents, income, proceeds, revenue and profits of every nature of and from the Property, including, without limitation, any other payment Assignor may become entitled to receive with respect to any of the Leases pursuant to any bankruptcy, insolvency or reorganization or similar proceedings (collectively, "Rents"), together with the immediate right to collect and retain the Rents now or hereafter becoming due, and together with all rights that Assignor may have against any tenant, lessee or licensee under the Leases or against any other occupant of the Property (such tenants, lessees, licensees or other occupants, "Tenants").
2. While this instrument is a present and absolute assignment of the Rents, the Leases and the powers granted to Assignee, Assignor is granted a revocable license ("License") to retain possession of the Leases and to collect and retain the Rents until an occurrence of an Event of Default (as defined in the Deed of Trust). Upon an Event of Default, the License shall automatically terminate without notice to Assignor, and Assignee may, with or without taking possession of the Property, take possession of the Leases and collect the Rents. After such termination, Assignor shall be Assignee's agent regarding the Rents, and any Rents collected by Assignor shall be held in trust by Assignor for the exclusive benefit of Assignee, and Assignor shall, within one (1) business day after receipt of any Rents, pay them to Assignee, and Assignee shall have the authority, without notice to Assignor or regard to the adequacy of the security therefor, to (a) manage and operate the Property (such as rental and repairs), with full power to employ agents to conduct the same, and (b) demand, collect, receive and sue for the Rents, including those past due and unpaid as Assignee in its sole discretion shall determine.
3. Without limiting the rights granted above, if Assignor shall fail to make any payment or to perform any act required hereunder (beyond any applicable grace or cure period), then Assignee may, but shall not be obligated to, without prior notice to or demand on Assignor, and without releasing Assignor from any obligation hereof, make or perform the same in such manner and to such extent as Assignee may deem necessary to protect the security hereof, including, without limitation, appearing in and defending any proceeding purporting to affect the security hereof or the rights of Assignee, discharging any obligation of Assignor under any Lease, and paying all related costs and employing counsel.
4. This Assignment does not make Assignee responsible for (a) managing or repairing the Property, (b) performing the terms of the Leases, or (c) any loss sustained by Assignor resulting from any act or omission of Assignee in managing the Property, or make Assignee a mortgagee in possession.

5. Assignor shall indemnify and hold Assignee harmless from and against any and all liability, loss, claim, or damage ("Loss") which Assignee may incur under the Leases and/or by reason of this Assignment, including, without limitation, any asserted by Tenants under the Leases. If Assignee incurs any Loss, including sums advanced pursuant to Paragraph 2 above or in defense of any claim, the amount thereof, including costs and attorneys' fees, together with interest at the Default Rate (as defined in the Note) from the date incurred by Assignee until repaid by Assignor, shall be immediately due and payable to Assignee by Assignor upon demand and shall be secured by the Loan Documents.

6. Assignor irrevocably appoints Assignee as its attorney-in-fact, which power of attorney is coupled with an interest, from and after an Event of Default to perform any act which Assignee may perform by virtue of this Assignment. Except as otherwise provided in the Mortgage, Assignor shall not, without the prior written consent of Assignee, further pledge or otherwise encumber or assign the Leases or Rents.

7. At any time, Assignee may, at its option, notify any Tenants of the existence of this Assignment. Assignor specifically authorizes and directs all Tenants to pay all Rents to Assignee upon receipt of demand from Assignee and agrees that each such present and future Tenant may rely upon written demand from Assignee to so pay said Rents without further inquiry.

8. (a) Assignee's acceptance of this Assignment is without prejudice to Assignee. Assignee's exercise of or failure to exercise the rights granted it herein, and collecting and applying Rents as herein provided, is without prejudice and not a waiver by Assignee of any Event of Default and does not prevent foreclosure of any liens on the Property or make Assignee liable under any of the Leases, Assignee expressly reserving all of its rights and privileges under the Loan Documents as though this Assignment had not been entered into. In addition to any other rights hereunder, Assignee may institute suit and obtain a mandatory injunction against Assignor to prevent a breach or Event of Default.

(b) All rights and obligations of the parties hereunder shall inure to the benefit of and be binding upon each party's successors and assigns. Assignor will not assert any claim against Assignee as a defense, counterclaim or set-off to any action brought by Assignee for any amounts due hereunder or for possession of or the exercise of rights with respect to the Leases or the Rents.

(c) If any provision of this Assignment shall be invalid, such invalidity shall not affect the validity and enforceability of the remaining provisions. This Assignment may not be amended except by a written instrument duly executed by Assignor and Assignee and shall be in full force and effect continuously from the date hereof to and until the Mortgage shall be released.

(d) All notices or other communications to be sent by one party to the other shall be given and effective as provided in the Mortgage. This Assignment shall be governed by and construed in accordance with the laws of the state in which the Property is situated without regard to its conflicts of law rules.

IN WITNESS WHEREOF, Assignor has executed this Assignment as of the day and year above.

BRADFORD MS II, LLC,  
a Mississippi limited liability company

By: AJ Investments, LLC,  
a Tennessee limited liability company,  
its Chief Manager

By:   
Name: Allen Richardson  
Title: Chief Manager



EXHIBIT A  
LEGAL DESCRIPTION

P BK 91 PG 382

A 15.31 MORE OR LESS, ACRE TRACT OF LAND LOCATED IN THE NORTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 1 SOUTH, RANGE 6 WEST, CITY OF OLIVE BRANCH, DESOTO COUNTY, MISSISSIPPI, AND BEING KNOWN AS ANNANDALE GARDEN PHASE II, LOT 17B, FIRST REVISION LOT 17 HOLIDAY CROSSING SUBDIVISION (PLAT BOOK 69, PAGE 42), AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT AN IRON PIN (FOUND) AT THE NORTHWEST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 26, TOWNSHIP 1 SOUTH, RANGE 6 WEST, SAID POINT BEING THE TRUE POINT OF BEGINNING FOR THE HEREIN DESCRIBED TRACT; THENCE SOUTH 89 DEGREES 48 MINUTES 55 SECONDS WEST, 278.18 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 11 DEGREES 34 MINUTES 02 SECONDS EAST, 75.30 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 09 DEGREES 41 MINUTES 37 SECONDS EAST, 107.64 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 80 DEGREES 20 MINUTES 48 SECONDS EAST, 38.46 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 43 DEGREES 10 MINUTES 12 SECONDS EAST, 35.37 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 19 DEGREES 30 MINUTES 28 SECONDS EAST, 240.04 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 34 DEGREES 23 MINUTES 49 SECONDS WEST, 115.52 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 57 DEGREES 59 MINUTES 25 SECONDS WEST, 174.45 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 37 DEGREES 33 MINUTES 03 SECONDS WEST, 276.70 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 50 DEGREES 56 MINUTES 01 SECONDS WEST, 64.29 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 53 DEGREES 08 MINUTES 50 SECONDS WEST, 47.18 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 00 DEGREES 59 MINUTES 36 SECONDS WEST, 66.40 FEET TO AN IRON PIN (FOUND); THENCE NORTH 63 DEGREES 31 MINUTES 24 SECONDS WEST, 620.33 FEET TO AN IRON PIN (FOUND); THENCE NORTH 23 DEGREES 25 MINUTES 36 SECONDS EAST, 311.07 FEET TO AN IRON PIN (FOUND); THENCE NORTH 07 DEGREES 28 MINUTES 52 SECONDS EAST, 286.18 FEET TO AN IRON PIN (FOUND); THENCE NORTH 00 DEGREES 29 MINUTES 36 SECONDS EAST, 138.46 FEET TO AN IRON PIN (FOUND); THENCE SOUTH 89 DEGREES 40 MINUTES 34 SECONDS EAST, 410.16 FEET TO THE POINT OF BEGINNING AND CONTAINING 15.32, MORE OR LESS, ACRES OF LAND SUBJECT TO ALL CODES, COVENANTS, RESTRICTIONS, REVISIONS, REGULATIONS, EASEMENTS, AND RIGHTS-OF-WAY OF RECORD.

LESS AND EXCEPT 0.01, MORE OR LESS, ACRES BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF LOT 17B; THENCE SOUTH 63 DEGREES 31 MINUTES 24 SECONDS EAST, 81.48 FEET TO A POINT, SAID POINT BEING THE TRUE POINT OF BEGINNING FOR THE HEREIN DESCRIBED TRACT; THENCE NORTH 26 DEGREES 28 MINUTES 36 SECONDS EAST, 20.00 FEET; THENCE SOUTH 63 DEGREES 31 MINUTES 24 SECONDS EAST, 20.00 FEET; THENCE SOUTH 26 DEGREES 28 MINUTES 36 SECONDS WEST, 20.00 FEET; THENCE NORTH 63 DEGREES 31 MINUTES 24 SECONDS WEST, 20.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.01, MORE OR LESS, ACRES.

TOGETHER WITH all benefits derived from Easement Agreement of record in Deed Book 365, Page 29, in said Clerk's Office.