10/17/05 10:44:46
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DESOTO COUNTY, MS
W.E. DAVIS, CH CLERK

This Instrument Prepared by and Return to:
SHARON K. ANDERSON
ATTORNEY AT LAW
46 TIMBER CREEK DRIVE
CORDOVA, TN 38018
901-757-1600

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS, made as of this 12th day of SEPTEMBER, 2005, by MICHAEL R. REED (hereinafter called "Assignor") whose address is 269 GERMANTOWN BEND CV., CORDOVA, TN 38018 TO COMMUNITY BANK, N.A. whose address is 6465 N. QUAIL HOLLOW RD., SUITE 100, MEMPHIS, TN 38120 (hereinafter called "Assignee");

WITNESSETH:

WHEREAS, Assignor has executed and delivered to Assignee a promissory note of Assignor (hereinafter, together with all amendments thereto, and modifications, renewals and extensions thereof, called the "Note") of even date herewith and being in the principal amount of SIXTY THREE THOUSAND, THREE HUNDRED SIXTY AND 00/100 ($63,360.00);and,

WHEREAS, as security for the Note, Assignor has executed and delivered to Assignee a Deed of Trust (hereinafter, together with all amendments thereto and modifications thereof, called the "Mortgage") of even date herewith, and the Mortgage encumbers the interest of the Assignor in certain real estate and the buildings, improvements and other property more particularly described in the Mortgage (all of such real estate and property being hereinafter referred to as the "Mortgaged Property") and the Mortgaged Property is all located in the County of DESOTO, State of MISSISSIPPI, to-wit:

> Lot 327, Phase IV, Section "K," Kentwood Subdivision, Section 3, Township 2, Range 8, as shown on Plat of record in Plat Book 55, Page 12, in the Chancery Court Clerk's Office of DeSoto County, Mississippi, to which plat reference is made for a more particular description of said property.

PROPERTY: 2574 SOUTH AVALON, HORN LAKE, MS 38637

WHEREAS, as further security for the Note, Assignee has required that Assignor assign to Assignee all of Assignor's right, title and interest in, to and under all leases and agreements for the use or occupancy of the Mortgaged Property and the rents, earnings, issues, income and profits arising from such leases and agreements and the Mortgaged Property, as any and all of the same may be now or hereafter existing, and Assignor desires and intends by this instrument to assign to Assignee all of Assignor's right, title and interest in, to and under all of such leases and agreements and the rents, earnings, issues, income and profits arising therefrom and from the Mortgaged Property;

NOW, THEREFORE, in order to secure the payment of the principal of, and interest on, the Note and to secure the performance and observance by Assignor of every covenant and condition contained herein, in the Note and in the Mortgage and in consideration of the agreement of Assignee to loan to Assignor the principal sum evidenced by the Note, Assignor does hereby sell, assign, transfer, convey and set over unto Assignee, its successors and assigns, all of the right, title and interest of Assignor in, to and under (i) any and all leases or agreements for the use or occupancy of the whole or any part of the Mortgaged Property, whether such leases or agreements are now or at any time hereafter existing (such Leases and agreements being hereinafter collectively

S. Anderson

called "Leases" or singularly a "Lease"), together with all amendments and supplements to and renewals and extensions of the Lease at any time made, and (ii) all rents, earnings, issues, income and profits arising from the Mortgaged Property and/or from said Leases and all other sums due or to become due under and pursuant thereto, and (iii) any and all guarantees under any of said Leases, and (iv) any and all proceeds payable under any policy of insurance covering loss of rents for any cause, and (v) any and all rights, powers, privileges, options and other benefits of Assignor as lessor under the Leases, including, but not by way of limitation:

(1) The immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, condemnation awards, moneys and security payable or receivable under the Leases or pursuant to any of the provisions thereof whether as rent or otherwise;

(2) The right to pursue and collect any claim in bankruptcy proceedings of any tenant;

(3) The right to accept or reject any offer made by a tenant pursuant to its Lease to purchase the Mortgaged Property or any part thereof and any other property subject to the Lease as therein provided and to perform all other necessary or appropriate acts with respect to such purchases as agent and attorney-in-fact for Assignor;

(4) The right to make all waivers and agreements, to give and receive all notices, consents and releases, and to take such action upon the happening of a default under any Lease as Assignor might have taken, including the right to commence, conduct and consummate proceedings at law or in equity as shall be permitted under any provision of any Lease or by law;

(5) To do any and all other things whatsoever which the Assignor is or may become entitled to do under or by virtue of the Leases or any of them;

ALL OF THE ABOVE BEING SUBJECT, however, to the right and license hereinafter granted by Assignee to Assignor and to the occurrence of any Event of Default, as hereinafter defined.

This Assignment is made and given as security for, and shall remain in full force and effect until (i) the payment in full of all principal and interest on the Note, and (ii) the payment and performance and observance by Assignor of all of Assignor's duties, obligations and indebtedness under this Assignment and under the Mortgage.

Assignor represents and warrants to Assignee that:

(a) Assignor has good right and authority to make this Assignment;

(b) Assignor has not heretofore alienated, assigned, pledged or otherwise disposed of or encumbered any Leases, or any of the sums due or to become due thereunder or otherwise assigned hereunder except pursuant to the terms of the Mortgage;

(c) Assignor has not accepted, anticipated or collected

rent or any other payments due or to become due under any existing Lease for any period subsequent to the month in which such rent or other payments has become due and payable;

(d) Assignor has not executed or granted any amendment or modification of any existing Lease, either orally or in writing, except as has been disclosed in writing to Assignee;

(e) There is no default under any Lease now existing and no event has occurred and is continuing which, with the lapse of time or the giving of notice or both, would constitute an event of default under any Lease.

Assignor hereby covenants and agrees:

1. Promptly to observe, perform and discharge the obligations and conditions of this Assignment and any and all Leases and also the Note and the Mortgage.

2. To enforce the performance of each and every obligation, term, covenant, condition and agreement to be performed by any tenant pursuant to the Leases.

3. To appear in and defend any action or proceeding arising under or in any manner connected with the Leases, or the obligations, duties or liabilities of Assignor and any tenant thereunder and upon request by Assignee, to do so in the name and behalf of Assignee, but at the expense of Assignor.

Assignor also covenants and agrees that it will not, without in each instance obtaining the prior written consent of Assignee:

1. Incur any indebtedness for borrowed money or otherwise to any tenant or guarantor of any Lease if such indebtedness may under any circumstances be availed of by such tenant or guarantor as an offset against the rent or other payments due thereunder;

2. Enter into any Lease, the form of which has not been previously approved by Assignee, which approval shall not be unreasonably withheld;

3. Cancel any Lease nor accept a surrender thereof;

4. Reduce the rent payable under any Lease or accept payment of any installment of rent more than one month in advance of the due date thereof except for security deposits;

5. Change, amend, alter or modify any Lease or any of the terms or provisions thereof, nor grant any concession in connection therewith;

6. Consent to the release of the obligations of a tenant or guarantor under any Lease;

7. Assign, pledge, encumber or otherwise transfer any Lease or Assignor's right thereunder except to the Assignee;

Any of the above acts, if done without the written consent of Assignee, shall be, at the option of Assignee, without any force or effect as against Assignee.

Assignor also covenants and agrees that Assignor will, upon the request of Assignee, execute and deliver to Assignee such further instruments and do and perform such other acts and things

as Assignee may deem necessary or appropriate to make this Assignment and the various covenants of Assignor herein contained effective and to more effectively vest in and secure to Assignee the sums due or hereafter to become due under the Leases. This covenant and agreement shall include, without limitation, the execution of such additional assignments as shall be deemed necessary by Assignee to effectively vest in and secure to Assignee all rents, income and profits from any and all Leases. Assignor further agrees that it will, from time to time, upon demand therefor, deliver to Assignee certified copies of each and every Lease then affecting all or any portion of the Mortgaged Property.

Assignor further covenants and agrees that in the event any warranty or representation at any time made herein or in connection herewith shall be false, misleading or materially inaccurate or if Assignor shall default in the observance or performance of any obligation, term, covenant or condition hereof, and such default remains uncured or uncorrected for thirty (30) days after Lender provides written notice to Borrower of such default provided, however, if said default is such that it cannot be corrected within thirty (30) days, it shall not constitute an Event of Default if corrective action is instituted by Borrower and diligently pursued and corrected within thirty (30) additional days; then, in each instance, at the option of Assignee, the same shall constitute and be deemed to be an "Event of Default" hereunder and under the Note and the Mortgage thereby entitling Assignee to declare all sums secured thereby and hereby immediately due and payable and further entitling Assignee to exercise any and all rights and remedies as may be available at law or in equity.

Assignor hereby consents to and irrevocably authorizes and directs the tenants under the leases and any successor to the interest of said tenants, upon demand and notice from Assignee of Assignee's right to receive the rents and other amounts under such Leases, to pay to Assignee the rents and other amounts due or to become due under the Leases, and said tenants shall have the right to rely upon such demand and notice from Assignee and shall pay such rents and other amounts to Assignee without any obligation or right to determine the actual existence of any default or event claimed by Assignee as the basis for Assignee's right to receive such rents and other amounts, notwithstanding any notice from or claim of Assignor to the contrary. Assignor shall have no right or claim against any tenant for any such rents and other amounts so paid by a tenant to Assignee.

Notwithstanding the foregoing provisions which shall be construed as making and establishing a present and absolute transfer and assignment of the Leases and the rents, earnings, issues, income and profits arising therefrom, so long as no Event of Default shall exist under the Note, this Assignment or the Mortgage and so long as no event shall exist which by lapse of time or service or notice, or both, has or would become an Event of Default thereunder or hereunder, Assignor shall have the right and license to occupy the Mortgaged Property as landlord or otherwise and to collect, use, and enjoy the rents, issues and profits and other sums payable under and by virtue of any Lease and assigned hereby, but, as to such rents, issues and profits and other sums, only as the same become due under the provisions of such Lease, and to enforce the covenants of the Leases.

Upon the occurrence of an Event of Default hereunder or under the Note or Mortgage, Assignee, at its option, shall have the complete right, power and authority:

(a) To terminate the right and license granted to Assignor in

the paragraph immediately preceding and thereafter, without taking possession, to demand, collect and receive and sue for the rents and other sums payable under the Leases and, after deducting all necessary and proper costs and expenses (including reasonable attorneys' fees) of collection as determined by Assignee, to apply the net proceeds thereof upon any indebtedness secured hereby;

(b) To declare all sums secured hereby immediately due and payable, and, at its option, to exercise all of the rights and remedies contained herein, in the Note and in the Mortgage;

(c) Without regard to the adequacy of the security, with or without process of law, personally or by agent or attorney, or under the Mortgage, or by a receiver to be appointed by court, then and thereafter to enter upon, take and maintain possession of and operate the Mortgaged Property, or any part thereof, together with all documents, books, records, papers, and accounts relating thereto and hold, operate, manage and control the Mortgaged Property, or any part thereof, as fully and to the same extent as Assignor could do if in possession and in such event, without limitation and at the expense of Assignor, from time to time, cause to be made all necessary or proper repairs, renewals, replacements, useful alterations, additions, betterments and improvements to the Mortgaged Property, or any part thereof, as Assignee deems judicious, and pay taxes, assessments and proper charges on the Mortgaged Property, or any part thereof, and insure and reinsure the same, and lease the Mortgaged Property, or any part thereof, for such times and on such terms as Assignee deems desirable, including leases for terms expiring beyond the maturity of the indebtedness secured by the Mortgage, and cancel any lease or sublease for any cause or on any ground which would entitle Assignor to cancel the same.

Should Assignee exercise the rights granted herein as specified upon the occurrence of an Event of Default hereunder or under the Note or Mortgage, thereafter payment of all proper charges and expenses, including the just and reasonable compensation for the services of Assignee, its attorneys and agents in connection with the operation, management and control of the Mortgaged Property and the conduct of the business thereof, and such other actual out-of-pocket expenses of Assignee on account of any matter or thing done in good faith in pursuance of the rights and powers of Assignee hereunder, Assignee may, at its option, credit the net amount of income which Assignee may receive by virtue of this Assignment and from the Mortgaged Property to any and all amounts due or owing to Assignee under the terms and provisions of the Note, this Assignment and the Mortgage. The balance of such net income shall be released to or upon the order of Assignor. The manner of the application of such net income and the item which shall be credited shall be within the sole discretion of Assignee.

The acceptance by Assignee of this Assignment, with all of the rights, power, privileges and authority so created, shall not, prior to entry upon and taking possession of the Mortgaged Property by Assignee, be deemed or construed to constitute Assignee a mortgagee in possession nor thereafter or in any event to impose any obligation whatsoever upon Assignee to appear in or defend any action or proceeding relating to the Leases or the Mortgaged Property, or to take any action hereunder, or to expend any money or incur any expenses, or perform or discharge any obligation, duty or liability under the Leases, or to assume any obligation or responsibility for any security deposits or other deposits

delivered to Assignor by any tenant and not assigned and delivered to Assignee or render Assignee liable in any way for any injury or damage to person or property sustained by any person, firm or corporation in or about the Mortgaged Property except arising out of the gross negligence or willful misconduct of Assignee.

Assignee agrees that neither the collection of rents and the application thereof as provided for herein or the entry upon and taking of possession of the Mortgaged Property, or any part thereof, by Assignee shall cure or waive any default or waive, modify or affect any notice of default under the Note or the Mortgage, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by Assignee, once exercised, shall continue for so long as Assignee shall elect. If Assignee shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time upon any subsequent default.

The rights and remedies of Assignee hereunder are cumulative and not in lieu of, but are in addition to, any rights or remedies which Assignee shall have under the Note, the Mortgage or at law or in equity, and said rights and remedies may be exercised by Assignee either prior to, simultaneously with, or subsequent to, any action taken hereunder. Said rights and remedies of Assignee may be exercised from time to time and as often as such exercise is deemed expedient by Assignee in its absolute discretion, and the failure of Assignee to avail itself of any of the terms, provisions and conditions of this Assignment or any rights granted herein for any period of time, at any time or times, shall not be construed or deemed to be a waiver of any rights under the terms hereof.

The right of Assignee to collect and receive the rents assigned hereunder or to take possession of the Mortgaged Property, or to exercise any of the rights or powers herein granted to Assignee shall, to the extent not prohibited by law, also extend to the period from and after the filing of any suit to foreclose the lien of the Mortgage, including any period allowed by law for the redemption of the Mortgaged Property after any foreclosure sale.

Assignor agrees to indemnify and hold Assignee harmless of and from and against any and all liability, loss, damage or expense, which Assignee may or might incur under or by reason of this Assignment, and of and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligation or undertaking on the part of Assignee to perform or discharge any of the terms, covenants or agreements contained in the Leases except for claims or demands arising out of any action of Assignee determined by a court of competent jurisdiction to be gross negligence or willful misconduct. Should Assignee incur any such liability, loss or damage under or by reason of this Assignment, or in the defense against any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, together with interest thereon at the highest lawful rate, shall be secured by this Assignment and by the Mortgage, and Assignor shall reimburse Assignee therefor immediately upon demand, and upon failure of Assignor so to do, Assignee may declare all sums secured hereby immediately due and payable.

All notices, demands or documents of any kind which Assignee may be required or may desire to serve upon Assignor hereunder shall be sufficiently served by delivering the same to Assignor personally or by depositing a copy in United States mail, postage prepaid, addressed to Assignor at the address of Assignor set forth

above, or at such other address as Assignor may from time to time designate in writing.

This Assignment shall be governed by the laws of the State of Mississippi.

This Assignment shall be assignable by Assignee and all representations, warranties, obligations, covenants, powers and rights herein contained shall be binding upon, and inure to the benefit of, Assignor and Assignee and their respective successors and assigns.

IN WITNESS WHEREOF, Assignor has executed these presents as of the day and year first above written.

ASSIGNOR:

MICHAEL R. REED

STATE OF TENNESSEE
COUNTY OF SHELBY

Personally appeared before me, a Notary Public of said State and County, MICHAEL R. REED, the within named bargainor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand, at office, this 12TH day of SEPTEMBER, 2005.

NOTARY PUBLIC

My commission expires:

2/14/07

SHARON K. ANDERSON
NOTARY PUBLIC AT LARGE
SHELBY COUNTY, TENN.
MY COMM. EXP. 2-14-07