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ASSIGNMENT OF RENTS

BK 999 PG 756
W.E. DAVID, CH. CLK.

THIS ASSIGNMENT made this 22nd day of April, 1998 by MARC NAYLOR, a married person, individually as resident(s) of Shelby County, Tennessee, hereinafter referred to as Assignor and VOLUNTEER BANK, a branch division (or "branch") of BancorpSouth Bank, a Mississippi banking corporation with principal offices in Tupelo, Mississippi, with branch or division address of 6675 Stage Road, Bartlett, Tennessee, 38134, hereinafter referred to as Assignee is as follows:

WHEREAS, the Assignor is the owner in fee of the real property described to wit:

Lot 34, Cherokee Trail, Part of Cherokee Valley P.U.D., situated in Section 32, Township 1 South, Range 6 West, City of Olive Branch, Desoto County, Mississippi, as per plat recorded in Plat Book 56, Page 30, Chancery Clerk's Office, Desoto County, Mississippi.

and attached hereto, and has requested the Assignee to loan to the Assignor the sum of **\$160,800.00**; and

WHEREAS, the Assignee has refused to loan to the Assignor such sum unless the Assignor, in addition to executing its note for the sum of **\$160,800.00** and executing and delivering its Deed of Trust to secure the payment of such note, in like amount, also executes and delivers this Assignment of Rents as additional collateral for the repayment of such note in the amount of **\$160,800.00**;

WHEREAS, this Assignment made by Assignor shall become operative in the event of default by Assignor under the terms and conditions of the Promissory Note, or Deed of Trust, or Construction Loan Agreement entered into by Assignor for the benefit of Assignee, recorded as **Instrument Number** Book 992*, in the Register's Office of **Desoto County, Mississippi**:
*Page 001

NOW THEREFORE, in consideration of the premises and of other good and valuable considerations paid by the Assignee to the Assignor, receipt whereof is hereby acknowledged, and in order to better secure the payment to the Assignee of the principal on such Note and Deed of Trust together with the principal of any other obligation of the Assignor held by the Assignee, with interest, now due or hereafter to become due thereon, and of all premiums of insurance on policies which the Assignee has effected and may effect under the terms of the Deed of Trust and of all taxes and assessments which may now be due and unpaid, or which may thereafter become due and a charge against or a lien upon the premises, with interest and penalties thereon, the Assignor does hereby grant, bargain, sell, transfer, assign, convey and set over unto the Assignee all the rents, issues and profits due and to become due from the mortgaged premises hereinafter described, together with all leases, agreements, service contracts and insurance policies affecting the mortgaged premises.

1. COLLECTION OF RENTS. The Assignee shall have the power and authority to enter upon and take possession of the mortgaged premises and to demand, collect, and receive from the tenants, lessees, or other occupants now or at any time hereafter in possession of the mortgaged premises or from any part thereof, rents now due or to become due, to endorse the name of the Assignor or any subsequent owner of the premises of any checks, notes, or other instruments for the payment of money, to deposit the same in bank accounts, to give any and all acquittances or any other instrument in relation thereto in the name of the Assignor or in the name of the Assignee and either in his own name or in the name of the Assignor, to institute prosecute, settle, or compromise any other proceedings for the recovery of such rents, profits, or to recover the whole or any part of the premises, or for the abatement of any nuisance thereon, also the power to defend any legal proceedings brought against the Assignor or against the owners arising out of the operation of the mortgaged premises.

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2. **AUTHORITY TO LEASE.** The Assignee shall have the power to lease or rent the mortgaged premises, or any part thereof, to employ an agent to rent and manage the premises, whose compensation shall be fixed at 5% of the gross rents collected, to make any changes or improvements thereon or herein deemed by him necessary or expedient for the leasing or the renting of the premises, to keep and maintain the premises in a tenable and rentable condition, as well as in a good state of repair, and to purchase all equipment or supplies necessary or desirable in the operation and maintenance of the premises and to pay for all gas, electricity, power, painting, repairs, wages of employees, and other items for the maintenance of the premises, to pay interest or principal on the prior mortgages on the premises now due or to become due, taxes, assessments, water and sewage rates, and meter charges now due and unpaid or which may hereafter become due and a charge or lien against the premises, and to pay the principal of the note and deed of trust thereon, now due hereafter to become due, and to pay the premiums on all policies of insurance now hereafter effected by the Assignee and to comply with orders of any governmental departments having jurisdiction against the premises, and, in general, to pay all charges and expenses incurred in the operation of the premises.

3. **PAYMENT OF EXPENSES.** The Assignee shall have the authority to pay the cost of all matters herein mentioned out of the rents and other revenues received the mortgaged premises and the cost of any of such expenditures and of any payments which may be made by the Assignee under any of the provisions of this Agreement, including expenses and charges for counsel fees, shall be charged to the Assignor and for all purposes be deemed secured hereby and they may be retained by the Assignee out of the rents of the premises.

4. **LIABILITY OF ASSIGNEE.** The Assignee shall in no way be liable for any acts done or anything omitted by him but shall be liable only to account for all moneys that he may receive hereunder, and nothing herein contained shall be construed as to prejudice his right to institute or to prosecute any proceedings to foreclosure the Deed of Trust herein mentioned, or to enforce any lien on any other collateral which the Assignee may have, or prejudice any right which the Assignee may have by reason of any default, present or future, under the terms of the Deed of Trust.

5. **TRANSFER OF LEASES.** The Assignor hereby assigns, transfers, and set over to the Assignee all leases or subleases made to the various tenants in the building and all its right, title and interest therein, hereby authorizing and empowering the Assignee to continue present leases, or to demise any one or more sections or space therein for a period of not greater that ten years, upon such terms and conditions as the Assignee may deem just and proper, and if necessary, to execute, acknowledge and deliver any and all instruments in writing necessary to effectuate this Agreement. The Assignee shall have full power and authority to do and perform all acts or things necessary and requisite to be done in and about the premises, has fully and to all intents and purposes as the Assignor might or could do if present, with full power or substitution and revocation, hereby ratifying and confirming all that the Assignee shall lawfully do or cause to be done by virtue hereof.

6. **MODIFICATION OF LEASES.** The Assignor hereby agrees that it will not cancel, modify, or surrender any lease now existing in respect to any portion of the premises nor reduce any rents, or change, modify or waive any provision of any existing lease, without the consent in writing of the Assignee, and it shall enter into no lease on any portion of the premises without the written consent of the Assignee.

7. **FAILURE TO ACCOUNT.** It is understood and agreed that the Assignee shall in no way be responsible or liable for any defalcation or failure to account for any rents collected by an Agent or collector of the premises whom he may designate or appoint to collect or manage the property, nor shall the Assignee by in any way be liable for the failure or refusal on his part to make repairs to the premises. The Assignee shall in no way be responsible personally for any debt incurred in respect of the premises.

8. **EVENTS OF DEFAULT.** The amount due to the Assignee shall, at the option of the Assignee, immediately become due and payable, anything in this Agreement to the

contrary notwithstanding, in the event a voluntary or involuntary petition in bankruptcy shall be filed by or against the Assignor, or against any subsequent owner of the premises covered by this Rent Assignment, or in the event that there is a voluntary or involuntary proceeding for the dissolution of the assignor or any subsequent owner of the premises covered by this Rent Assignment, instituted in any court having jurisdiction thereof, or in the event that any proceeding or action is begun in any court in which it is claimed that the Assignor or any subsequent owner of the premises covered by this Rent Assignment is insolvent and a temporary or permanent receiver of its assets shall be appointed; or in the event a petition for reorganization or arrangement under the Bankruptcy Act is filed by or against the Assignor, or against any subsequent owner of the premises covered by this Rent Assignment; or in the event that a judgement is rendered against the Assignor, or against any subsequent owner of the premises covered by this Rent Assignment or a mechanic's lien is filed against such property and the Assignor shall fail, within five days after the rendition of such judgement or the filing of such mechanic's lien to remove, satisfy, bond, release such judgement or mechanic's lien; and the Assignor does hereby waive notice of protest in respect to such and any or all of such payments.

9. **RIGHTS OF ASSIGNEE IN COLLATERAL.** The Assignment of Rents is intended for use in connection with the loan secured by the note and Deed of Trust in this Agreement mentioned. It is understood and agreed by the parties that this Assignment shall in no manner prejudice the Assignee or estop the Assignee in any way in the exercise of his right as mortgagee or as the plaintiff in any foreclosure action which may be instituted and this Assignment may have and to any proceedings which the Assignee may be entitled to take in connection therewith.

10. **FURTHER ASSIGNMENT.** The Assignee is hereby given the privilege of assigning all of his right, title and interest in and to this Assignment of land to any person, firm or corporation to whom the note and Deed of Trust hereinabove referred to are assigned, and in such manner so that the holder of such note and Deed of Trust shall have all of the rights and privileges given herein to the Assignee as if such Assignee were originally named herein as the Assignee.

11. **RELEASE.** This Assignment of Rents is being executed simultaneously and in conjunction with a deed of trust in favor of **VOLUNTEER BANK**. Any release of said deed of trust shall operate as a release of this Assignment of Rents.

All of the provisions of this Assignment of Rents to the contrary notwithstanding the Assignor shall have the right to collect and retain the rents on the leased portions of the premises and the Assignee shall have no rights to possess the same or collect said rents unless and until there shall be a default by the Assignor in the terms and conditions of the Promissory Note, the Deed of Trust, and/or Construction Agreement.

IN WITNESS WHEREOF, the Assignor has executed this Assignment.



Marc Naylor

STATE OF TENNESSEE; COUNTY OF SHELBY;

Before me, a Notary Public in and for said County and State, duly commissioned and qualified, personally appeared **Marc Naylor**, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he executed the same as his free act and deed..

WITNESS my hand and Notarial Seal at office this **22nd** day of **April, 1998**.

My Commission Expires: 1-29-2002 Sabrina Bush
Notary Public

THIS INSTRUMENT PREPARED BY AND RETURN TO:

REALTY CLOSING SERVICES, INC.
6510 STAGE ROAD
BARTLETT, TENNESSEE 38134/98-0810/SR
(901) 382-0470

