

COLLATERAL ASSIGNMENT OF NOTE AND MORTGAGE

KNOW ALL MEN BY THESE PRESENTS, that the undersigned Assignor is obligated or about to become obligated to the undersigned Assignee, pursuant to a certain Secured Promissory Note (hereinafter referred to as the "Note"), said Note executed on _____, _____, _____, which Note is incorporated by reference herein, and in consideration of the mutual promises and covenants contained within said Note, the Assignor does hereby grant a security interest in, and hereby transfers, assigns, pledges, conveys, hypothecates, and delivers to the Assignee, **WITHOUT RECOURSE**, and with all of the rights, powers, and privileges of the Assignor in relation thereto, the following described property (hereinafter referred to as the "Collateral"), to secure the Assignor's obligations to the Assignee:

A certain note and mortgage, said instrument(s) dated _____, _____, granted by _____, the mortgagor(s), to the favor of the Assignor or to its predecessors-in-interest, and providing for the repayment of an obligation in the original principal amount of \$ _____. Said mortgage was recorded in the public records in the County of _____, State of _____, on _____, _____, in Mortgage Book _____, Page(s) _____, upon the real estate described in "Exhibit A" attached hereto and incorporated herein by reference.

In the event of a default in the performance of any of the terms or covenants of the said Note, the Assignee may, upon ten (10) days written notice, forfeit all interest which the Assignor may have in the Collateral, and exercise complete dominion and control over said Collateral in all respects. Further, the Assignee may sell the Collateral at public or private sale, and the Assignee may become the purchaser thereof. As a result of said sale, all of the Assignor's rights, title, and interest in and to the Collateral shall vest in the purchaser thereof, and as to the Assignor, the same shall cease and terminate.

The Assignor consents and agrees to such a sale, without the requirement for a previous sale or reduction to possession of any other property pledged as collateral.

This Collateral Assignment is delivered to the Assignee without recourse to the Assignor. Assignee shall look only to the Collateral and to the payments, rents, issues and profits thereof, and in the event of any default in the performance of any of the terms or covenants of the Note, shall not seek any deficiency or personal judgment against Assignor except such judgment or decree as may be necessary to foreclose and bar Assignor's interest in the Collateral.

The Assignor agrees that this assignment is for collateral purposes only, and does not relieve the Assignor of its responsibilities or obligations relating to the Note or to the collateral itself; no liability shall accrue to the Assignee as a result of this assignment, and the Assignor agrees to hold harmless and to indemnify the Assignee from any and all expenses or losses incurred in relation hereto.

In addition to the above, the Assignee may pursue any and all other remedies which may be available to it, including those available to it under the Uniform Commercial Code.

Upon failure of the Assignee to perform, or upon breach of the Note by the Assignee, the Assignee hereby agrees that its interest in the Collateral shall immediately cease, and the Assignor shall become vested with the complete ownership of the Collateral. The Assignee agrees to

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execute any reasonably required assignment instruments and/or release instruments, back to the order or favor of the Assignor, as may be required to effect full ownership of the Collateral in the Assignor herein.

The Assignor agrees that it will not make any further assignments of the collateral, of any kind, other than this Collateral Assignment, except with the prior written approval of the Assignee, provided that, the Assignee acknowledges and agrees that the Assignor may, from time to time, grant a security interest in, and transfer, assign, pledge, convey, hypothecate, and deliver to the Assignee an additional note or note(s) of equal or greater value and lien position than the Collateral as substitute or replacement Collateral by delivering to Assignee written notice of such intention. In the event that Assignee does not object to such replacement or substitution of Collateral within ten (10) days of delivery of such notice by Assignor, then Assignor shall be free to sell or otherwise dispose of the Collateral upon executing any reasonably required assignment instruments necessary to complete the assignment and transfer of the replacement Collateral to Assignee.

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment on this _____ day of _____, _____.

WITNESSES:

SIGNED:

(_____, Assignor)

(_____, Assignee)

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State of _____)
County of _____) SS:

Before me, a Notary Public in and for said state and county, personally came _____, the Assignor in the above instrument, who acknowledged the execution of same to be (his, her) free and voluntary act and deed.

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____, _____ on this _____ day of _____, _____.

Notary Public

(Seal)
(Expiration Date)

State of _____)
County of _____) SS:

Before me, a Notary Public in and for said state and county, personally came _____, the Assignee in the above instrument, who acknowledged the execution of same to be (his, her) free and voluntary act and deed.

In testimony whereof, I have hereunto subscribed my name and affixed my official seal at _____, _____ on this _____ day of _____, _____.

Notary Public

(Seal)
(Expiration Date)

THIS INSTRUMENT WAS PREPARED BY: _____

EXHIBIT A

(Legal Description of Real Estate)