KNOW ALL MEN BY THESE PRESENTS, that

Carl A. Bates and Pamela C. Bates, husband and wife

(hereinafter called "mortgagor"), in consideration of Thirty-Five Thousand Dollars

hereby acknowledged to have been paid to Carl A. Bates and Pamela C. Bates, husband and wife

The Birmingham News Company

(hereinafter called "mortgagee"), do hereby grant, bargain, sell and convey unto the mortgagee all that

real property in the City of Hoover

County of Shelby

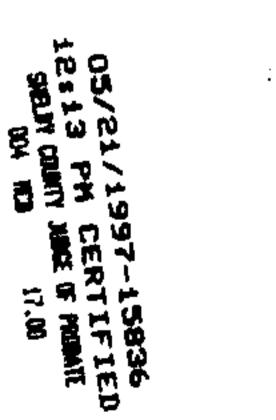
State of Alabama, described as follows:

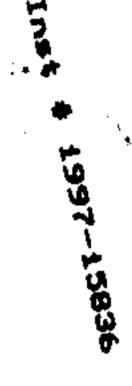
Lot 49 according to the survey of The Highlands, First Sector, as recorded in Map Book 17, Page 100 in the Probate Office of Shelby County, Alabama.

Inst # 1997-11688

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Together with all and singular the rights, members, privileges, hereditaments, easements and appurtenances thereunto belonging or in anywise appertaining; to have and to hold the same forever.

said note being payable to the mortgagee at The Birmingham News Company, 2200 Fourth Avenue N, Birmingham, AL 35202, Attn: Publisher and Controller, and if the mortgagor shall perform all the covenants and agreements herein contained, then these presents shall be void; otherwise they shall remain in full force and effect.

Upon default in the payment of any installment of principal or interest on said note—or upon default in the performance of any of the covenants and agreements herein contained, the mortgages may declare the entire principal sum of said indebtedness immediately due and payable, and the mortgager hereby vests the mortgages with full power and authority, upon the happening of any such default, to sell said property at public outcry at the front door of the Court House of said County, for cash to the highest bidder, after first giving thirty days' notice of the time, place and terms of sale, together with a description of the property to be sold, by publication once a week for three consecutive weeks, in a newspaper published in said County; to make proper conveyance to the purchaser in the name of the mortgagor; and the proceeds of said sale to apply, first, to the payment of the costs of said sale, including a reasonable attorney's fee; second, to the payment of the amount of said principal indebtedness, whether due or not, together with the unpaid interest thereon to the date of sale, and any amount that may be due the mortgagee by virtue of any of the special liens herein declared; and third, the balance, if any, to pay ever to the said

And except as herein provided, the mortgagor hereby covenants with the mortgagee and with the heirs, successors and assigns of the mortgagee that the mortgagor is seized of an indefeasible estate in fee simple in and to the above described property, is in the peaceable possession thereof, and has a good and lawful right to mortgage and convey the same; that said property is free from all encumbrances except as herein provided, and that the mortgagor hereby warrants and will forever defend the title to said property unto the mortgagee, and unto the heirs, successors and assigns of the mortgagee, against the lawful claims of all persons whomseever.

The conveyance of the above described property and all warranties of the mortgagor hereunder (whether express or statutory) are made subject to the lien of taxes hereafter falling due.

And the mortgagor further expressly agrees and covenants:

To pay said note—and the installments of principal and interest thereon, when they respectively felt due;

To pay promptly all taxes, assessments, liens, or other charges which may be, or become, effective against said property regardless of whether or not the same may be excepted from the warranties hereinabove, together with all penalties, costs, and other expenses incurred, or which may accrue, in connection therewith;

To keep any buildings or other improvements now or which may hereafter be erected upon said property in good repair and insured against fire and lightning and against hazards covered by the form of insurance contract generally known as "extended coverage", and also the form of coverage known as "all physical loss" if required by the mortgagee, by policies issued by good and solvent insurance companies approved by the mortgagee, which policies shall be deposited with the mortgagee and shall provide that loss, if any, shall be payable to the mortgagee as the mortgagee's interest may appear, such policies to be in such amounts, not exceeding the insurable value of the said buildings or other improvements, as may be required by the mortgagee;

That if the mortgagee shall, upon the happening of any default hereunder, resort to litigation for the recovery of the sums hereby secured, or employ an attorney to collect said sums or to foreclose this mortgage under the power of sale herein or by bill in equity, the mortgagor will pay all reasonable costs, expenses, and attorney's fees thus incurred; and said costs, expenses, and attorney's fees, and any other sum or sums due the mortgagee by virtue of any of the special liens herein declared, may be included in any judgment or decree rendered in connection with said litigation;

That if the mortgagor fails to perform any of the duties herein specified, the mortgagee may perform the same, and for any sums expended by the mortgagee in this behalf the mortgagee shall have an additional lien, secured by these presents, on said property;

That in the event of litigation arising over the title to, or possession of, said property the mortgagee may prosecute or defend said litigation, and for any sum or sums expended by the mortgagee in this behalf the mortgagee shall have an additional lien, secured by these presents, on said property;

That at any sale under the powers herein the mortgagee may bid for and purchase said property like a stranger hereto, and in event the mortgagee should become the purchaser at said sale, either the auctioneer conducting the sale or the mortgages may execute a deed to the mortgages in the name of the mortgagor;

That the word "mortgagee" wherever herein used, shall include all mortgagees herein named, and their respective heirs, executors, administrators, successors and assigns, and the word "mortgagor" wherever herein used, shall include all mortgagors herein named, and their respective heirs, executors, administrators and successors. The masculine pronoun, wherever herein used, shall mean and include the appropriate feminine or neuter pronoun. Wherever herein used the singular number shall include the plural, and the plural number shall include the singular.

This mortgage is subject and subordinate to a \$177,210 mortgage dated July 24, 1995 between mortgagor, as Borrower and Norwest Mortgage, Inc., as Lender.

The obligations and liability hereunder of Carl A. Bates and Pamela C. Bates shall be joint and several.

Pamela C. Bates

THE STATE OF ALABAMA, I, MATTHEW WETHINGTON

JEFFEL ON COUNTY in and for said State of ALABAMA

, a Notary Public

, hereby certify that

CARLA. + PAMFLA C. BATES

whose name < AR=

signed to the foregoing conveyance, and who

ARE

known

to me, acknowledged before me on this day that, being informed of the contents of the conveyance,

executed the same voluntarily on the day the same bears date.

Given under my hand

this

29 day of FEBRUARY

Notary Public State of Alabama JEFFERRAN County of

JEFFERSON COUNTY) I. MATTHEW WETHINGTON , a Notary Public in and for said State ALABAMA, hereby certify that on the 287H day of FEBRUARY, 1997, came before me the within named PAMEGA C. BATES known to me to be the wife of the within named CARL A. BATES

who, being examined separate and apart from the husband touching her signature to the within mortgage, acknowledged that she signed the same of her own free will and accord, and without fear, constraints, or threats on the part of the husband.

Given under my hand

this 28 day of FEBRUARY 1997

Notary Public State of Alabama Mathematical Mathematical Alabama

County of JEFREDSON

Bates and Pamela C.

and wife

husband

The Birmingham News Company

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12:13 PH CERTIFIED 12:13 PH CERTIFIED SELECTION JUNE 17.00